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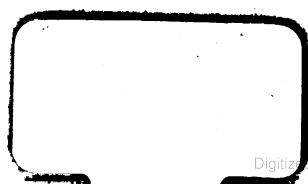
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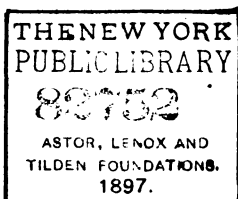
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JOURNAL OF THE DUBLIN STATISTICAL SOCIETY.

JOURNAL
OF THE
Dublin
STATISTICAL SOCIETY.

EIGHTH SESSION.

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DUBLIN:
HODGES AND SMITH, 104, GRAFTON-STREET.
1855.



PREFACE.

DURING the first seven years of the existence of the Dublin Statistical Society, such of the papers read at its meetings as the Council judged deserving of publication were printed each in a separate form, and so circulated among the members and Corresponding Societies. This mode of publication, though possessing some advantages, has been found very unfavourable to the preservation of the papers; and the Council have therefore determined to publish for the future a series of selections from the Proceedings of the Society periodically in the form of a Journal, of which the present is the first number.

The Council wish it to be understood that, while they select the papers to be published in the Journal from a belief that the matter contained in them is worthy of attention, they do not vouch for the accuracy of the statistics or the soundness of the reasonings in any of those papers, for which their authors alone must be held responsible.

Review 27 May 91 (vol 1-8) + vol 10, nos. 1-3) 23-10-0

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JOURNAL OF THE Dublin STATISTICAL SOCIETY.

JANUARY, 1855.

I.—Report of the Council at the Opening of the Eighth Session of the Society.

[Read, November 20th, 1854.]

GENTLEMEN,

We have much pleasure in congratulating you on the favourable auspices under which the eighth session of our Society is now opened.

We have a favourable report to give of the several departments of the Society's business entrusted to our care.

Of the communications read before the Society, we have, during the past session, selected several for publication. One of these was by Mr. James Haughton, containing some interesting "Statistics with respect to the progress of the Australian Colonies, since the discovery of gold;" and one by Mr. M'Kenna on the policy of "Partnerships of Limited Liability." This subject is one on which the best authorities on law reform are divided in opinion, and which therefore forms a very appropriate topic for consideration and discussion.

The next paper which we selected for publication was one by Mr. William Harvey Pim, "On the importance of Reformatory Establishments for Juvenile Delinquents," a subject which has recently obtained a good deal of attention in England and Scotland, and which demands our especial consideration, as the calamities of the famine deprived a large portion of the rising population of parental protection and support, and have left them in a destitute and neglected state, exposed to the temptations of vice and crime.

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The next paper was by Dr. Lawson on "Irish Agricultural Statistics."

The remaining papers that have been published under our auspices were by Mr. Cairnes, one of the Barrington Lecturers on Political Economy, "On the best means of raising the supplies for a War Expenditure," and "On the Principles of Currency involved in the Bank Charter Act of 1844."

Both these questions are naturally connected with the great contest in which the empire is now engaged. For the last European War gave rise to a suspension of cash payments, and to a depreciation of the currency, which Sir Robert Peel corrected by his Currency Bill of 1819 and his Bank Charter Act of 1844; and it has been held by high authority, that the expenses of that war were much enhanced by the injudicious system of funding then adopted.

The trustees of the Barrington Lectures on Political Economy continue to confide them to our management, and our proceedings with respect to them have been attended with very satisfactory results.

Last winter, Professor Moffett delivered lectures before the Literary and Scientific Society of Belturbet the Literary Society of Lurgan, the Mechanics' Institute of Dundalk, and the Literary and Scientific Institution of Kilkenny.

In May, we selected Professor Moffett, Professor William Edward Hearne, Mr. Cairnes, and Mr. Jemison as lecturers for the ensuing year.

Professor Hearne delivered a course of lectures before the Wexford Mechanics' Institute. He was unable to give his second course of lectures in Dublin, in consequence of his being selected as Professor of English Literature in the University of Melbourne, and having to proceed at once to Australia.

Mr. Cairnes is at present giving a course of lectures at the Mechanics' Institute of Dublin, and he is to lecture before the Mechanics' Institute of Carlow.

Mr. Jemison is to lecture in Clonmel and in Dublin; but the arrangements with respect to his lectures have not been as yet completed.

Professor Moffett has concluded his courses of lectures before the Literary and Scientific Society of Garvagh, the Commissioners of the Borough of Trim, and the Mechanics' Institute of Waterford.

From the various bodies under whose auspices these lectures have been given we have received the most satisfactory accounts, showing that the lectures have fulfilled the munificent intention of Mr. Barrington, the founder, by disseminating in the various towns and villages in Ireland a knowledge of Political Economy in its largest and most useful sense, especially as relates to the conduct and duty of people to one another.

In former reports we referred to the arrangements we had adopted for extending our system of Corresponding members, so as to embrace Corresponding Societies. We have in this way twenty-eight societies in different parts of Ireland in connexion with us. We continue to forward our publications to them, and to extend the privilege of membership to the Corresponding

Officer of each society; and we receive in exchange the annual reports and other publications of these bodies.

The connexion thus established facilitates the management of the Barrington Lectures, which are usually entrusted to these corresponding societies. It also secures for our publications a considerable circulation amongst some of the most intelligent inhabitants of the provincial towns; and it enables us to collect a valuable body of information as to these Institutions, which may at a future period form the basis of some more perfect organization, similar to the Scientific Unions which exist in England.

We notice with much satisfaction the gradual increase in the number of these Provincial Societies, and the continued interest that is taken in their proceedings. Their stability and usefulness would be greatly increased by some legislative provisions for creating a simple and inexpensive form of incorporation, adapted to their purposes and usual mode of government, and suited to the kinds of property generally possessed by them. The various legislative measures for facilitating the incorporation of Joint Stock Companies for commercial speculations have been attended with the most beneficial effects; and we think that associations for the advancement of knowledge are no less deserving of the most careful protection of the state.

In consequence of our connexion with those Societies, we prepared a bill on a matter of considerable importance to them—the extension of the provisions of the Public Libraries Act to Ireland. This bill we brought under the notice of Mr. Chichester Fortescue, M.P. for the County of Louth, and he at once took an active interest in the matter, and introduced and carried the Bill through Parliament. We propose, during the ensuing year, to collect information with respect to the operation of the similar Act in England; and to send this information, with an explanation of the powers conferred by the Act, to the various provincial societies that are in a position to take advantage of its provisions.

We continue to receive from the Law Amendment Society of England, and the Society of Arts, copies of their proceedings and publications. We also receive reports and other documents from several Government departments, especially those that have charge of public health and education. Amongst the publications received from Corresponding members, we must notice a very interesting and able volume of lectures on Capital and Population, by Mr. Rickards, the Professor of Political Economy in the University of Oxford.

The period of seven years, during which our Society has been in operation, is of sufficient length to afford us a means of judging of the value of its proceedings, and to test the principles upon which it was founded. Within that time there has been an increasing tendency in the public mind, to remove social questions from the domain of party politics to the more tranquil region of scientific research. To that change we owe the sphere of our usefulness; for our object is to promote the study of statistics and political economy; and we exclude from our proceedings all communications calculated to produce discussions connected with party politics.

By our statistical inquiries we promote a taste for accuracy of

observation and research; and by the development of Political Economy we teach the application of scientific principles to social questions.

Whilst we can refer with some satisfaction to the past publications of the Society, as indicating the extent to which the time and attention of our members have been devoted to a consideration of the chief changes that have affected the welfare of our country, we are convinced that so far from having exhausted the field of investigation, we have really only made a commencement in the solution of the great social questions of our times.

We cannot conclude without again acknowledging the courtesy of the Royal Dublin Society, in continuing to us the use of this most eligible place of meeting, and in affording to our proceedings such facilities as are in their power.

II.—*Address delivered at the opening of the Eighth Session of the Society, by Jonathan Pim, Esq. one of the Vice-Presidents.*

[Read November 20th, 1854.]

Before venturing to ask your attention to the few remarks, which as one of the vice-presidents, I am about to make on the opening of this the eighth session of the Dublin Statistical Society, I must first express my warm acknowledgments for the kindness which has placed me in this honorable position. I feel that I have no claim on account of any services rendered to the cause of science, however sincere have been my desires to assist in promoting the investigation of some of those social and economic questions which are so closely connected with the prosperity of the country.

The changes which have taken place during the seven years which have elapsed since the formation of this Statistical Society have been many and various; and among the most important has been that alteration in public feeling which has disconnected political economy from party politics, and thus permitted us to continue our inquiries into the important truths of this science, without the restraints which prejudice and party considerations had so long imposed upon us.

We are no longer told that the rules of political economy may be very good, but that it will not do to enforce them rigidly under all circumstances; that they may do very well for a prosperous country, but that in Ireland it is quite another affair. Its principles are no longer regarded as arbitrary rules invented by a set of dreaming philosophers, but are generally acknowledged as the natural laws which regulate the material interests of society, and which are therefore fixed and unchangeable as the principles of any other science. It is true that mistakes have frequently been made in the investigation of those laws, and error has thus been mistaken for truth and acted on as such; but these errors have not been

greater or more glaring than those which have been made in other branches of human knowledge, and their effect should be not to discredit economic science, but to make us more cautious lest we attempt to generalize or draw inferences from insufficient data. Happily the prejudices which formerly existed on this subject have in great part passed away. The importance of political economy is admitted, and instead of being treated as an abstract science, and confined to a few learned professors, it is now widely diffused, and applied to the consideration of various social and economic questions of the deepest interest. It has, in fact, become a popular science; now every one is a political economist, and discusses the most important questions, even though he has never studied Adam Smith, or the other learned and laborious writers who have been the pioneers in this department of knowledge.

A few years ago there were many subjects which would not bear discussion in a popular assembly. If any one advocated freedom of trade, the protectionists were up in arms, as though he meant to rob them of their property or vested rights. If he alluded to the necessity of freeing landed property from the trammels with which a complicated legislation had bound it, he was looked at with suspicion as one who wanted to subvert the constitution. If he referred to the hardships often suffered by the tenant farmer, in having no certainty that he should reap the fruits of any labour devoted to the improvement of his farm, he was treated as a demagogue or an enthusiast. If he spoke of the difficulties which are felt by the working classes, or their claims on their employers, and if he offered suggestions for reconciling the ruinous contests which sometimes take place between employers and employed, instead of obtaining consideration for his plans, or being met by fair argument, he was branded as a socialist who sought to sap the foundations of society. Economists might, indeed, discuss the abstract principles of their science, and no one regarded them: but as soon as they proceeded to apply these principles to practical questions, they exposed themselves to obloquy and reproach.

The times are now changed. Some of these questions are so completely settled in public estimation, that scarcely any one is to be found to defend the views which were once so strenuously maintained; and it is universally admitted, that however unsound be the opinions advanced, they must be met by fair argument and by that alone. It is useless to attempt to put them down by ridicule and clamour. They must be subjected to open and calm discussion, and examined on all sides, until the pure truth is stripped of all the disguises which sophistry may have wrapped around it.

The foundation of the chair of Political Economy in the University of Dublin, through the enlightened liberality of the distinguished prelate who presides over this Society, gave the first impulse to the study of economic questions in this country; and this impulse has been ably seconded by the exertions of the learned professors who have successively occupied that chair. The ground was thus prepared for a Statistical Society; so that when it was established, in 1847, many were ready to take part in its proceedings with interest and ability. That interest has been still farther extended, not only by the valuable papers read at our meetings and

distributed among our members, and by the interesting discussions which have frequently taken place, but yet more by the lectures which, under the Barrington trust, have been delivered in various parts of Ireland, diffusing widely a knowledge of these subjects, and popularizing the abstract principles of statistical science.

We have, therefore, reached an important vantage ground, from which we can look back on the progress already made, and which should encourage us to renewed efforts.

Among the various questions which have engaged our attention, I may be permitted to select a few, for the purpose of noting the progress which seems to have been made in public opinion respecting them, and of pointing out some subjects which appear to me worthy of further consideration.

The difficulties into which the country was plunged by the loss of the potato crop in 1846, and the consequent famine in the following year, naturally drew our thoughts to the land question, both as respects the proprietors in fee and the tenants. Some of the most valuable papers read at our meetings have had reference to this subject; which has, indeed, received so much consideration, both among our members and by the public generally, that it may seem impossible to throw any new light on it. It is now universally acknowledged that it is of paramount importance to give facility to the transfer of land, to reduce the legal expenses as much as practicable, and to render the title to property secure and easy to be proved so. The establishment of the Incumbered Estates Court has effected this for the present, but arrangements are still required to prevent future complications. An Act for the registration of titles was passed in 1850, but has never been brought into operation; and it is worthy of examination whether this Act would meet the case, or whether further changes in the modes of conveyance, and in the nature of the deeds under which landed property is held, may not be necessary, in order to facilitate and cheapen transfers and give full security to titles. It has been suggested in several quarters, that the Register itself might be made the universal title deed for all landed property, giving an indefeasible title to him who was inscribed in it as the owner, in much the same manner as now exists in respect to the government funds.

The extension of the duty on successions to real as well as personal property was strongly advocated in a paper read before us. The state of the law with respect to wills and the administration of assets also engaged our attention, and a valuable paper on this subject was published by the "Social Inquiry Society." The objectionable nature of the taxes on law proceedings has been brought before us more than once, and the expediency of freeing the administration of justice from all unnecessary expense was strongly insisted on. The heavy expenses incurred in securing new inventions by means of patents, and the defective state of the law on this subject, early attracted our attention, and an able report was published by the "Social Inquiry Society," giving a clear statement of the law as it then stood, and making suggestions for its amendment, several of which were identical with those subsequently adopted by the legislature.

Our attention has been called on several occasions to the economic principles of taxation. The comparative advantages and disadvantages of direct and indirect taxes have been considered, and the policy of meeting extraordinary expenses by loans or by an immediate increase of taxation has been discussed. The discovery of gold in California and Australia naturally drew attention to the consideration how far the increase of gold might be expected to affect the value of the currency, and whether it would have any effect on the rate of interest. This important question will continue to be regarded as one of great interest to the whole community. The advantages of adopting a decimal division in our coinage, with a view of facilitating the calculation of all monetary transactions was clearly laid before us. It may, perhaps, be worthy consideration whether the full value of this change would be obtained, unless the same principle be adopted in respect to weights and measures also.

The policy of admitting the principle of limited liability in partnerships has latterly engaged a considerable share of public attention, and it has been the subject of two papers read at our meetings. The whole question of partnership appears to me deserving of further attention, especially as respects the legal means of deciding differences between partners, the remedies which the law affords against a fraudulent or dishonest partner, and the necessity of making all the partners individually parties in any legal proceedings between the partnership and the public.

The serious effects which have resulted from some recent disputes in England between employers and their work people, and the distress thereby brought on so many persons, have been universally acknowledged to involve questions of the greatest moment, in the solution of which the future prosperity of the country is deeply concerned. This seems to me to be a subject peculiarly worthy of the close attention of political economists. It may be well to consider whether there be anything in the law, as it now stands, which improperly interferes with the rights of operative artisans, preventing them from testing the principle of co-operative labour, on account of the legal impediments which render it impracticable for any business to be carried on by a large number of partners, whether with limited or unlimited responsibility.

The causes of Pauperism and the most efficient means for its relief are among those subjects which will always press themselves on the attention of thoughtful men. There are many and various questions affecting the welfare of the lower classes, and through them of society at large, which have already received some consideration from us, and which will no doubt continue still to claim the attention of our members. The statistics of crime—the connection of crime with want and ignorance and intemperance—the social evils resulting from crowded lodging-houses—the sanitary condition of the dwellings of the working classes in towns—and the effects of intemperance in magnifying these various evils, itself both the cause and effect of degradation and misery;—these and many kindred subjects afford ample scope for the investigation of the enquirer. He must combine correct observation of statistical facts

with sound reasoning and an impartial desire to elicit the truth, and he will then probably be enabled to throw some light on these important questions, which so closely concern the welfare of society.

It may be interesting to take a rapid glance at the condition of Ireland during the past ten years. At the commencement of this period our country appeared to have entered on a state of progressive improvement. Trade was good, and the prospects of agriculture were encouraging. The general appearance of the country, and especially that of the cities and country towns, gave evident indications of increasing prosperity. Then came the blight of the potato in 1845 and 1846, paralysing industry, and entailing on the peasantry and working classes generally that fearful suffering which those who have witnessed it never can forget. Following this were the gigantic efforts for our relief, the charitable contributions sent from every quarter, the public works, the distribution of food under the "Temporary Relief Act," the extended Poor-law, and, lastly, the "Act for the Sale of Incumbered Estates," under which so large a proportion of the landed property of the country has already passed away from its former owners. At the same time, many of the poorer cottiers and small farmers, unable to pay their rents, were obliged to relinquish their holdings, and others, despairing of the future, left their farms and fled to America, so that the emigration which previously existed was increased three-fold. Many landlords also, availing themselves of the opportunity, dispossessed their tenants for the purpose of consolidating their small holdings into larger farms. The class of small land-holders was thus greatly reduced in number, and many were exposed to severe suffering.

It was at the darkest period of this time of distress and perplexity that the Statistical Society was established, and many of the papers read at its earlier meetings had reference to the depressed condition of the country. This prostration was scarcely at all relieved when, at the close of our second session, in the summer of 1849, Doctor Longfield, in the closely-reasoned and well-timed document added as an appendix to his address, showed us that the capital of the country was but little diminished, that the effects of the failure of our harvest had been to a considerable extent exhausted in the privations which had been endured, and that the excess of suffering was the very reason why that suffering should be of short duration.

In the following year, Colonel Larcom, in the comprehensive review which he took of the state of Ireland, again encouraged us, by showing that the improvement had commenced, though as yet it was scarcely perceptible. He told us that, while the present was dreary, the horizon glowed with hope for the future; that the worst was past, and we might anticipate that a gloomy night would herald in a brighter day. Therefore we should not despair, but exert ourselves, and devote our faculties and energies to the task, looking in confidence for a blessing on our labors. This was in substance the conclusion of Colonel Larcom's animating address, and well has the future fulfilled his expectations, and proved the correctness of Doctor Longfield's reasoning.

It remains for me, by a reference to the recorded statistics of the last two years, to illustrate and establish this position, and for this

purpose I have availed myself of several sources of statistical information, and have made large use of the valuable tables published in "Thom's Statistics of Ireland," a work which, on account of the extent and comprehensiveness of its information, and the accuracy with which it is prepared, is highly creditable both to the editor and to the city in which it is published. Through the kindness of Alexander Thom I have been furnished with some statistics of a later date than have appeared in the ordinary publications.

The first subject which naturally engages our attention is the census taken in 1851. We were well aware that many circumstances had occurred during the ten years between 1841 and 1851 which tended to diminish our numbers; and Colonel Larcom, in the address I have before alluded to, and which was delivered in the summer of 1850, stated his opinion that our numbers in the then approaching census could scarcely exceed, if they equalled, those of 1831, viz. 7,767,401; but none of us were prepared for the extraordinary reduction which was actually exhibited, and which showed the population to be reduced to 6,661,830 persons, being 139,997 less than existed in Ireland thirty years before. The population was in fact less in 1851 than it had been in 1821, and there is every reason to believe that the present numbers, if known, would exhibit a further diminution.

If we compare the census of 1851 with that of 1841, we find a diminution of numbers in every county in Ireland except Dublin and Antrim, the sites respectively of the metropolis, and of Belfast, the seat of the linen manufacture. This diminution amounted to 28 per cent in the province of Connaught, to 23 per cent in Munster, and to about 16 per cent in Leinster and Ulster. A comparison of the last census with that taken in 1821, thirty years before, shows a decrease of numbers in every province except Ulster, viz. :—

Leinster, decrease	--	--	--	85,318
Munster, do.	--	--	--	78,368
Connaught, do.	--	--	--	98,223
				<hr/>
				261,909
Ulster, increase	--	--	--	121,912
				<hr/>
Total decrease,	--			139,997

The statistics of agriculture next demand our notice, exhibiting as they do several points of great interest. Important changes might have been anticipated to result from the altered circumstances of the country. The continued failure of the potato crop broke up the practice of letting land in con-acre. The inability of so many of the smaller tenants to retain possession of their holdings, and the extensive emigration greatly lessened the number of those dependent on agricultural pursuits. The reduced price of grain consequent on the free importation of foreign corn, and the natural advantages of the soil and climate of Ireland peculiarly fitting the country for the rearing and fattening of cattle, when freed from legislative interference, exerted an immediate influence on the mode of cultivation and the nature of the crops cultivated.

By the tables, which are annually published, we see the results as respects the number of holdings. The small farms between one and five acres, (if it be right to call them farms) which numbered 810,375 in 1841, have decreased to nearly one-fourth in 1853, and those between 5 and 15 acres are diminished about thirty per cent.; while the farms of 15 to 30 acres, and of 30 acres and upwards, have been considerably more than doubled during the same period. This alteration took place principally between the years 1841 and 1847. It had commenced before the famine, and it was greatly accelerated by that event. It was during this period that the class of farms between 15 and 30 acres increased so much; but since 1847 they also have been reduced in number, while the number of farms above 30 acres has increased, showing that the consolidation of holdings is still going on, and extending to larger farms than at first.*

When we look to the quantity of land under the various crops, we find, as might have been expected, when the unnatural stimulus to the cultivation of wheat was withdrawn, that this crop, which occupied 743,871 acres in 1847, was gradually reduced to less than one-half in 1853, while oats and other cereals, to which our soil and climate are better suited, remained at nearly their former extent. The high price of wheat in 1853, however, induced a larger sowing this year, so that the ground occupied by this crop increased to 411,423 acres. The cultivation of potatoes fell off so much in the year succeeding the great blight of 1846, that it only extended to 284,116 acres, but it has increased in the present year to about three and a half times that extent. Turnips and other green crops had last year attained an increase of 75,888 acres, but have again fallen off to somewhat less than they were in 1847. The growth of flax, which seems of so great importance, as supplying the raw material for our staple manufacture, and which has been of late years brought so prominently before the public view, had trebled in extent between 1847 and 1853, when it occupied 174,579 acres; but this year it is again somewhat diminished.†

The great diminution in the number of holdings, the increase of large farms, and also the changes in the kind of crops cultivated, indicate an increased attention to the rearing of cattle and other domestic animals, and accordingly we find that the value of the farm stock has risen from £21,105,808 in 1841 to £31,844,718 in 1853, being an increase of 50 per cent. This is, indeed, a gratifying fact, showing so large an increase of the capital of those engaged in farming, notwithstanding the great diminution in their numbers. It proves that individually the holders of farms must now be, on the average, in a much better position than they were in 1841. If we refer to the particulars of this farm stock, we find the chief increase to be in cattle, the numbers of which are not far from being doubled, having risen from 1,863,116 to 3,383,309. Sheep were at first reduced in number, but reached their minimum in 1849, since which time they have nearly doubled; and in 1853 they amounted to 3,142,656, which is 1,036,467 more

* See Appendix A.

† See Appendix B.

than they numbered in 1841. A nearly similar remark may be made as respects pigs and poultry, both of which fell off greatly after the failure of the potato crop, in consequence of the inability of the poorer part of the peasantry to keep them. They reached the lowest point in 1847, the number of pigs being then only 622,459, which was less than half the enumeration in 1841; but both have increased since that time, and are now nearly the same as they were before the famine.*

It is important to note that, by the return of the Census Commissioners, it appears that the amount of arable land in Ireland has been increased from 13,464,300 acres in 1841 to 14,802,581 acres in 1851, thus showing that 1,338,281 acres have been reclaimed from waste, or greatly improved in value, during this interval of ten years, by which a large amount has been added to the capital of the country.

The reduction in the number of small holdings naturally leads us to enquire where the tenants are gone. Some of them, no doubt, have fallen victims to famine, or to the diseases resulting from want of sufficient food. Some have sought an asylum in the work-houses. Many have betaken themselves to our larger towns and cities, and have looked to the wages of daily labour for the support of their families, or have gone over to England in the hopes of obtaining employment. A very large number have crossed the Atlantic, swelling the tide of emigration which has astonished both these countries and America.

Even before the failure of the potato crop, the amount of emigration was considerable; and it appeared decidedly on the increase, having nearly doubled in 1845 what it had been 1843. But the results of the failure of the potatoes gave a sudden impulse, which rendered the emigration of 1847 nearly treble that of 1845, having reached, according to the estimate of the emigration commissioners, the unprecedented number of 219,885 persons. Since that time the annual numbers have not varied very much; and having apparently attained their highest limit in 1851, which has been estimated at 254,537, they now appear to be on the decline. It is evident that such an emigration cannot keep up for many years. It corrects itself both by the increased supply of labour in America lessening the facility of obtaining employment for those who go there, and by the improved demand for labour in Ireland raising the rate of wages in this country. So far as it has gone, we must consider it as having been advantageous under the circumstances, relieving us of the dead weight of so many persons who could not find employment here, and enabling them, in another land, to procure the necessaries, and often the comforts and even the luxuries of life.

One circumstance connected with emigration deserves especial notice, because it is so creditable to the character of our countrymen, distinguishing them honourably from the emigrants of every other country. The number of small remittances sent back from America, by the Irish emigrants, will at once recur to your thoughts. I believe this subject was first brought under public notice by my

* See Appendix C.

late friend, Jacob Harvey of New York. In a letter to me, dated Dec. 28th, 1846, which I made public at the time, he says:—"I have made inquiries, within a few days, from those houses who give small drafts to the poor Irish, and I am rejoiced to find that the remittances are greater than ever before known at this period. I am proud to say that the Irish in America have always remitted more money, ten times over, than all the other foreigners put together." And, again, in another letter, dated 5th of January, 1847, the period when the loss of the potato crop was making itself so severely felt, he says:—"I am happy to say that the poor labouring Irish themselves are doing their duty fully. Without any public meetings or addresses, they have been silently remitting their little savings to their relatives at home." In a subsequent letter, he makes up the total of these remittances to one million of dollars, or £200,000 sterling.

The inquiries made by the Emigration Commissioners showed that these small remittances had more than doubled by 1848. They continued to increase, until, in 1853, they attained the astonishing amount of £1,439,000, being more than seven times the estimate for 1846. This will probably prove to be their highest limit. The exact amount for the present year cannot, of course, be ascertained until the year itself is ended. But during the ten months which have elapsed, there has been unquestionably a considerable falling off, perhaps amounting to 20 or 25 per cent. The causes which have induced these small remittances have lessened, and a reduction may, therefore, be expected in the amount of the remittances themselves. The early emigrants have, in many cases, been followed by all, or most of their near kindred; so that the necessity of sending home money to assist their emigration is over. Where remittances were made for the relief of relatives remaining in Ireland, the urgent need has, in many cases, ceased, on account of the improved circumstances of the country, and the greater facility of obtaining employment. The new ties formed in America, and the gradual effects of time and distance, must naturally diminish these gifts of affection.

Estimate of the number of Emigrants from Ireland to America, and of the amount of remittances in small sums sent by emigrants to their friends in Ireland, in the years 1844 to 1853 inclusive.

	Number of Emigrants.		Amount of Remittances.	
1844	--	54,834	--	not known.
1845	--	75,954	--	not known.
1846	--	106,748	--	not known.
1847	--	219,885	--	not known.
1848	--	181,316	--	£ 460,000
1849	--	218,842	--	£ 540,000
1850	--	213,649	--	£ 957,000
1851	--	254,537	--	£ 990,000
1852	--	224,997	--	£1,404,000
1853	--	199,392	--	£1,439,000

The Emigration Commissioners remark that these accounts show only the sums remitted through the principal banks and mercantile houses, and that they have no means of ascertaining the amount (probably very large) sent home through private channels.

Some of the agents who issued these small money orders failed during last year, and thus considerable sums were lost, causing disappointment and distress to many poor people, and producing the inevitable effects of distrust and uncertainty. This, no doubt, had a considerable effect in lessening the remittances of the present year; and it naturally leads us to inquire, whether it be desirable to leave the safety of these small remittances to the chances of loss to which they have hitherto been exposed; considering that they come from persons who, generally speaking, cannot be supposed capable of forming any sound opinion respecting the stability of the banking or other firms who undertake to do business in this line. It is worthy of consideration, whether it would not be practicable to establish a system of post-office orders, between America and these countries, and thus give perfect security to small remittances.

The state of the Savings Banks in Ireland is in some degree connected with the last subject. It appears that the total balances of investments in these banks were regularly increasing up to the year 1845, when they amounted to £2,921,581, belonging to 96,422 depositors. In 1846 and 1847 they were diminished by about £500,000, and in 1848 there was a regular panic, under the influence of which they experienced a further reduction exceeding £1,000,000. The lowest point was attained in 1849, when the total balances only reached the sum of £1,200,273, belonging to 45,548 depositors. Since this period they have again increased, and they amounted on the 20th November, 1853, to £1,587,449. This panic arose in part from political causes, but it was greatly increased by the failure of the Savings Bank at Killarney, and that in Cuffe-street, Dublin. Who should be considered responsible for the disgraceful failure of the Cuffe-street Bank it is not for me to say. The subject has already been largely discussed in a paper read before this association, by Professor Hancock, in the session of 1852. But I have no hesitation in stating my conviction that it does fall within the province of the Government to give to the poorer classes that perfect security for the investment of their savings, which until of late years it was almost universally supposed that they possessed. It is for the common benefit of the nation that such security should exist, and it appears to me that unless it be afforded by the Government, there is no other means by which it is likely to be obtained.

Statement shewing the number of Depositors and the amount invested in Savings' Banks in Ireland on the 20th of November in each year, from 1844 to 1853.

		No. of Depositors.		Amount Invested.
1844	--	91,243	--	£2,749,017
1845	--	96,422	--	£2,921,581
1846	--	93,853	--	£2,855,827
1847	--	80,351	--	£2,410,720
1848	--	48,512	--	£1,334,296
1849	--	45,548	--	£1,200,273
1850	--	47,987	--	£1,291,798
1851	--	49,554	--	£1,347,617
1852	--	52,142	--	£1,447,315
1853	--	55,625	--	£1,587,449

The statistics of poor-law expenditure afford melancholy proof of the extent of destitution occasioned by the failure of the potato crop. The full effect was not experienced during the year of famine, because the destitution was relieved principally by the large expenditure on the Public Works, and afterwards by the distribution of food under the "Temporary Relief Act." Still the expenditure under the Poor-law, which had been £435,001 in 1846, was nearly doubled in the following year, and more than quadrupled in 1848. It reached its highest point in 1849, when it amounted to £2,177,651 expended in the relief of 932,284 persons within the walls of the workhouses, and 1,210,482 persons receiving outdoor relief. Since that period the expenditure has regularly diminished, and amounted in the year ending 29th September, 1853, to only £785,718; the numbers relieved being 396,436 in-doors, and 13,232 out of doors. During the present year the number of in-door paupers, when at its highest, amounted to only 116,033; and of these about two-fifths were children, and more than one-fifth were sick persons in the workhouse hospitals. These statistics must be considered highly satisfactory, shewing that the pauperism occasioned by the famine has been so much diminished, and giving us reason to expect that next year it will be still farther reduced.*

The next subject which I wish to bring before your notice is the transfers of stock between England and Ireland. Your attention was called to this subject by Doctor Longfield in his address in 1849, for the purpose of shewing that the amount of funded property held by residents in Ireland still continued to increase, notwithstanding the distressed condition of the country. The figures then produced by Doctor Longfield shewed that the balance of transfers, which for many years had been uniformly in favour of Ireland, had exceeded a million sterling annually, from 1844 to 1848. He says, "This balance in favour of Ireland is an increase of Irish wealth to that amount. It also shews that, in Ireland, capital is not so much wanted as the means of employing it, since every year there is a steady flow from Ireland to England of capital seeking for investment." In the year 1849 a remarkable change took place. The balance of transfers was reversed, and for the first time for several years appeared against Ireland. In the four years, 1849 to 1852, the balance of stock transferred to England amounted to £2,525,090. You will not, I am sure, attribute this to a reduction of Irish capital; but seeing how accurately it coincides with the sales of property under the Incumbered Estates Court, you will recognise the correctness of Doctor Longfield's remark, that it was not capital we wanted so much as the means of employing it. Last year, the balance was again in favour of Ireland to the extent of £1,556,592.

* See Appendix D.

*Account of Stock transferred to and from England and Ireland,
in the years 1844 to 1853 inclusive.*

	From England to Ireland.			From Ireland to England.			Balance transfd. to Ireland.			Balance transfd. to England.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
1844	1,459,597	5	0	326,439	18	10	1,133,167	6	2	..		
1845	1,834,630	2	11	196,801	1	7	1,637,829	1	4	..		
1846	1,350,547	12	10	245,881	0	3	1,104,666	12	7	..		
1847	2,644,854	1	3	1,384,482	15	8	1,260,371	5	7	..		
1848	1,990,949	9	10	1,693,578	19	1	1,297,370	10	9	..		
1849	1,161,518	12	1	1,972,276	13	1	..			810,758	1	0
1850	1,131,307	18	5	1,175,881	10	3	..			44,523	11	10
1851	1,022,521	13	11	756,294	18	11	266,226	15	0	..		
1852	722,122	12	3	2,658,167	14	10	..			1,936,085	2	7
1853	2,323,476	0	3	766,883	9	11	1,556,592	10	4	..		

The business done in the Incumbered Estates Court, from its establishment to the present time, as exhibited in a statement of its transactions, from year to year, with which I have been kindly furnished by the officers of the Court, affords ample proof of the necessity which existed for this summary mode of facilitating the sale of landed property in Ireland. The petitions presented during the two first years were, as might reasonably be expected, much more numerous than they have been since, but they still continue, and amounted during the year ending 31st July last to 414. I need not allude to particulars which are so generally known, further than to state that the gross proceeds of the property sold prior to last vacation was £13,009,293, and the estimated extent was about 2,000,000 acres, being about one-tenth of the whole surface of the country. You must all remember how much used to be said of the want of capital in Ireland; how confidently it was predicted that, unless English purchasers could be found, the property must remain unsold; and how any suggestion of a contrary character was received with incredulity or derision. Yet now we find that there were only 217 purchasers who were not residents in Ireland, and that the amount of purchase money paid by them was only £2,249,040, being about one-sixth of the whole. No second opinion now exists as to the important effects which the sales under this Court have had in promoting the prosperity of Ireland; and it is universally acknowledged that the principles on which its proceedings are based, ought to be perpetuated. The records of the Court shew that one-fourth of the petitions presented were lodged by owners for the sale of their own estates, and it appears that this proportion has been increasing; so that, of the last hundred petitions more than half were lodged by owners. This is a satisfactory evidence that the value of the Incumbered Estates Court is increasingly appreciated, as it results from the fact,

that many landed proprietors avail themselves of the facilities it affords to free themselves from pecuniary difficulties by the sale of part of their estates. Such men will be really richer as the possessors of smaller but unincumbered properties, than they were when the nominal but embarrassed owners of extensive estates.*

The statistics of crime afford us matter for painful reflection, and also, when duly considered, for congratulation. We see the sad effects of the demoralization produced by the famine, in the great and sudden increase of criminals committed for trial at the assizes and quarter-sessions, the number of commitments rising from 16,696 in 1845 to 41,989 in 1849; but it is gratifying to find that since that year they have been regularly diminishing, and were only 15,144 in 1853. If we analyse these statistics more closely, we find that the great increase of commitments was not for offences of the gravest character. Those for offences against the person remained very much the same from 1844 to 1849; but have since diminished to less than one-half. For offences against property, whether with or without violence, the commitments increased largely during the same period; those for offences with violence having considerably more than doubled, while those for offences without violence were nearly quadrupled. The great destitution which prevailed during 1847, 1848, and 1849, will fully account for this increase. We cannot feel surprised that it should have taken place; but we are gratified by seeing that, during the last four years, there has been a constant diminution in the number of commitments for these offences, so that last year they exceeded those of 1844 by about one-third only, and I trust this reduction of numbers may still continue.

It must, nevertheless, be observed that the greater power for summary conviction, conferred upon magistrates some few years since, has tended to lessen the number of cases committed for trial; and we find, accordingly, that the summary convictions have increased during the last five years, and that they do not as yet exhibit any diminution. This increase does not, however, denote an increase of crime to the same extent, as a considerable portion of it has, undoubtedly, arisen from the more stringent carrying out of the vagrant act, and the increased activity of the contabulary, who have been enabled, by the diminution of serious crimes and outrages, to devote more attention to offences of a lighter character. It appears by the reports of the Inspectors-General of prisons, that the daily average of persons confined in our jails during the year 1847 was nearly double what it had been for the three years ending in 1846; and that in the year 1849 it had increased to nearly three times the average of the earlier period. It is satisfactory to find that last year it was reduced to little more than half what it had been in 1849, although it still remained to be an advance of 50 per cent. over the average number of prisoners for the three years ending 1846; and this notwithstanding the great

* See Appendix E.

reduction which our population has experienced. On this point the Inspectors-General, in their report for last year, remark that "This advance affords a melancholy proof of the demoralization and debasement which necessarily continue to affect the social system, long after the cessation of the calamity by which they were generated."

The great increase which has taken place in the number of youthful criminals is particularly to be deplored. It appears by the Reports already alluded to, that the commitments for trial of persons under sixteen, and between sixteen and twenty-one, although diminished in absolute amount, have yet continued to bear an increasing ratio to the whole number of commitments, having been about one-fifth of the whole in 1846, and almost exactly one-third in 1853. We must recognize this increase as among the most serious effects of the famine; and as calling imperatively for public attention.

It is deserving of notice, as a proof of the more efficient administration of justice, that the proportion of convictions to commitments has increased, during the past ten years, from 41 to 57 per cent.

When entering on any consideration of criminal statistics, the mind naturally recurs to those cases in which the extreme penalty of the law was suffered. On this point we cannot draw any particular inference from the last ten years. The annual average of executions has been nearly ten, having varied from two in 1851, to fifteen in 1849; and even twenty-eight in the year 1848. But if we refer to still earlier periods we find much cause for congratulation, for taking the four years, 1831 to 1834, we find the average to be thirty-nine; and it becomes still heavier as we carry our enquiries farther back.*

Among the proofs of prosperity most commonly relied on, is the increase in the number of marriages. I have therefore referred to the report of the Registrar-General, which shews an increase of about nine per cent. when comparing the marriages of 1846 with those registered in 1853; but as the marriages which come under his cognizance are only those of a portion of the inhabitants of Ireland, the statistics which he is enabled to furnish are comparatively of little value. On this subject I refer to the opinions expressed by Sir Robert Kane, in his Address to you when opening the session of 1851. He says, "The want of official registration of the marriages of the great mass of the inhabitants of this country I look upon as not merely destroying all value in the returns of our talented Registrar-General, as statistical documents; but also as a great injury and injustice to those classes of her Majesty's subjects, who are thus deprived of an important safeguard to their property, and to the moral position of their families." A general official registration of marriages, births, and deaths, is not merely interesting, as affording statistical information, but is frequently of great importance for facilitating the ends of justice, and for the protection of property and good morals. I should

* See Appendix F.

regret any legislation which would derogate from the sacred character of marriage as a religious contract. It is the most important event in the life of man, and we do well to invest it with all the sacredness which religion can confer. Objections on this account deserve respect, and I trust that, while due respect is paid to them, means will yet be devised to secure the advantages of a general registration of all marriages. As respects births and deaths, there ought not, I think, to be any difficulty.

Number of Marriages registered in Ireland in the years 1845 to 1853, inclusive.

	According to rites of Established Church.	Not according to rites of Estab. Church.	Total.	Per centage of signatures with marks.	
				Men.	Women.
9 Months of 1845	4,118	1,996	6,114	19.45	36.36
1846	5,760	3,584	9,344	18.07	36.25
1847	4,321	2,622	6,943	15.51	32.55
1848	5,313	3,735	9,048	19.86	37.43
1849	5,324	4,169	9,493	22.08	41.31
1850	5,387	4,394	9,781	24.81	44.82
1851	5,201	4,138	9,339	24.62	43.23
1852	5,365	4,122	9,487	26.27	44.64
1853	5,562	4,635	10,197	26.73	45.19

The value of statistical information is now universally recognised, as affording the only certain means of ascertaining the progress of the various interests of the community, and the surest guide in attempting to remedy the defects which may exist. Allow me to recall to your recollection the strikingly apposite expressions made use of by the Earl of Clarendon, when addressing you in this room on a former occasion. He said:—"I consider that statistical facts, carefully collected and digested, rank in the highest class of useful knowledge. To those to whom the arduous and responsible labour of government is intrusted, and to those on whom devolves the grave task of making laws, the possession of statistical knowledge is indispensable; it is the key to all that is passing around us; it is the pulse by which the moral, intellectual, and industrial vigour or decline of the community must be judged." Ireland possesses a valuable body of statistics—in the carefully prepared returns of the census, with its minute and comprehensive details on so many points affecting the well-being of the people, and in those annual returns which indicate the condition and progress of her agriculture, the amount and value of each successive harvest, and the number of the flocks and herds pastured in her fields. It is, therefore, the more to be regretted that this information is left incomplete, for want of those statistics which shew the progress of human life from year to year; and which are peculiarly valuable, not only for considerations of property and good morals, but also as indicating the state of health and of disease, and affording data for those sanitary improvements which tend so much to the welfare of the people.

One portion of the Registrar-General's statistics certainly surprised me. I refer to the number of persons who signed the marriage registers

with marks, which amounted to 26 per cent. of the men who were married in 1853, and 45 per cent. of the women; and this per centage of those unable or unwilling to sign their own names on such an occasion appears to have increased pretty regularly since the first registration of marriages in 1845. Can we believe that nearly one-half of the women whose marriages have been registered were unable to write, and that the proportion of ignorance is increasing instead of diminishing?*

The returns of the schools connected with the Board of National Education and with the Church Education Society, shew the number of children on their books during the year 1853 to have been 550,631 and 99,234 respectively; but as these returns give merely the number on the rolls, and do not state the actual attendance, I cannot draw any certain conclusions from them.

Number of Schools in connection with the Board of National Education and the Church Education Society respectively, with the number of Children on the rolls, for the years 1844 to 1853 inclusive.

National Board.					Church Education Society.						
		Schools.			Children.			Schools.			Children.
1844	--	3,153	--	395,550	--	1,812	--	104,968			
1845	--	3,426	--	432,844	--	1,811	--	100,755			
1846	--	3,637	--	456,410	--	1,809	--	96,815			
1847	--	3,825	--	402,632	--	1,859	--	116,968			
1848	--	4,109	--	507,469	--	1,861	--	120,202			
1849	--	4,321	--	480,623	--	1,868	--	111,877			
1850	--	4,547	--	511,239	--	1,882	--	108,450			
1851	--	4,704	--	520,401	--	1,885	--	103,878			
1852	--	4,875	--	544,604	--	1,858	--	105,387			
1853	--	5,023	--	550,631	--	1,880	--	99,234			

The next subject to which I wish to direct your attention, as an indication of improvement, is the amount of shipping which entered and left the ports of Ireland during the past ten years. In looking at the statistical returns on this subject, we are at once struck by the increase of foreign trade which took place in 1847, consequent on the abolition of the corn and navigation laws, and the necessity of importing corn for our own consumption. This increased trade has not been maintained to quite the same extent, yet the foreign trade of Ireland appears to have been in 1853 more than five times as large as

* The proportion in each of the four provinces appears to be as follows:—

	Number of Marriages.		Proportion per cent. of signatures by marks.	
			Men.	Women.
Ulster	7,243	--	32·62	-- 53·69
Leinster	1,742	--	10·27	-- 20·26
Connaught	345	--	15·36	-- 28·40
Munster	867	--	15·11	-- 31·03
Total	10,197	--	26·73	-- 45·19

As the marriages of Roman Catholics are not included in the above, the excess of signatures with marks in Ulster, when compared with either of the other three provinces, may be accounted for by the fact that there is in that province a larger proportion of Protestants of the working classes. The proportion of signatures with marks in England appears, by the report of the Registrar-General for 1851, to have been 30·76 per cent. of men and 45·27 per cent. of women.

it was in 1844. Our trade with the colonies appears, on the contrary, to have fallen off about 20 per cent. during the same period. As respects the trade with Great Britain and the coasting trade, that portion which is carried on by sailing vessels is only slightly increased; but the tonnage of the steam vessels which entered inwards and outwards in 1853 was nearly double that entered in 1844, being considerably more than the tonnage of the sailing vessels entered. The tonnage of the vessels registered as being owned in Ireland has also increased nearly 25 per cent. during the ten years.*

The only statistical records that I am aware of, by which we may venture to estimate the internal trade of the country, are the returns of bank notes in circulation. Robert Murray, of the Provincial Bank of Ireland, has favored me with the averages from the beginning of the year 1846, when the act requiring such returns first took effect, up to present time. The circulation in 1846 amounted to £7,265,721, giving proof of the prosperous state of trade before the blight of the potato. Next year it fell off nearly a million and a-half, and it decreased a million more in 1848. The lowest average was reached in 1849, being then only £4,310,283. It remained without much change up to 1852, but has increased rapidly during last year and the ten months of the present year which are past, the average of which has been £6,223,811. The circulation has therefore increased nearly 50 per cent. from the lowest point; but our internal trade is still carried on by means of a note circulation, which is one million less than was required in 1846.

Annual average of the sum total of the returns of the several Banks of Issue in Ireland, as respects their note circulation in the years 1840 to 1853, with the average of the first ten months of 1854.

Notes in circulation.			
1846	--	--	£7,265,721
1847	--	--	£5,830,425
1848	--	--	£4,823,992
1849	--	--	£4,310,283
1850	--	--	£4,512,443
1851	--	--	£4,462,909
1852	--	--	£4,818,238
1853	--	--	£5,650,454
1854	--	--	£6,223,811

Through the kindness of James McAdam, secretary to the Flax Improvement Society, I have been furnished with some interesting information respecting the linen manufacture, which shows its progress during the past twelve years to have been very great. In the year 1841 there were in Ireland 41 flax-spinning mills, containing 260,000 spindles. These were increased by the end of last year to 88 mills, containing 580,684 spindles. The number of workpeople in the flax-spinning mills has been estimated at 23,000, the wages paid annually at £360,000, and the amount of capital sunk in buildings and machinery as exceeding £2,300,000. The newest feature in the Irish linen manufacture is the introduction of power-looms,

* See Appendix G.

which has been hastened by the want of sufficient hand-loom weavers to supply the increasing trade. The exports of flax, yarn, and linen goods exceed £4,500,000. Part of these exports is for consumption in England, but the great mass is shipped to foreign countries, chiefly through Liverpool and Glasgow. The annual manufacture of linens of all kinds in Ireland may be roughly estimated at 160,000,000 of yards. At present this branch of manufacture is very much depressed, owing principally to the great increase of spinning machinery in 1852 and 1853. These years added one-fifth to the amount of machinery previously in use, and of course produced one-fifth more yarns, which, when woven and exported, have glutted foreign markets. Yet we may well believe that the steady increase in the consumption of linen goods abroad will, in two or three years, absorb this increase, and bring the production and consumption once more into equilibrium.

The manufacture of linen is so much the most important of those which Ireland possesses, that it may seem unnecessary to advert to any other; yet I must not omit all reference to the manufacture of sewed muslins, which has been so much increased in Ireland during the last ten years, that we scarcely recognize its previous existence. It has been computed that these elegant fabrics give employment to about 300,000 persons, who receive about £30,000 weekly in wages. I know not that there are any reliable data for such an estimate, and I am inclined to think it must be much beyond the truth. Still the manufacture is unquestionably a very important one, and it is the more to be valued because it is for the most part carried on by women and children at their own homes, and affords remunerative occupation for small portions of time, which, in many cases, would otherwise be wasted.

In estimating the prosperity of any country, the most important object of inquiry is the comfort of the people, which is, perhaps, best indicated by their consumption of those articles which are in general use, but not of absolute necessity. The amount of custom or excise duties paid in Ireland does not afford us any data in this respect, because the great proportion of many articles of consumption comes over from England duty paid. There is, however, one article, the duty of which is almost invariably paid in Ireland, and which, from its nature, is perhaps the very best criterion of the capability of the middle and lower classes to obtain the comforts of life. I refer to tea, of which the quantities cleared in the years 1842 to 1853 inclusive, afford a striking illustration of the condition of the people. We first find a regular increase of consumption of about nine per cent. annually from 1842 to 1846; then the effects of the famine are shewn by a slight retrogression for the five following years, and in 1852 the consumption becomes almost the same as that of 1846. Last year it again increased by nearly one-seventh, having amounted to 7,859,754 lbs., being 2,924,102 lbs. more than had been used in 1842; or, taking the diminution of the population into account, making the consumption for each inhabitant of Ireland nearly double what it had been in the former period.

*Statement of the quantity of Tea cleared in Ireland for home consumption
in the years 1842 to 1853 inclusive.*

1842	--	--	4,935,652	pounds.
1843	--	--	5,364,244	"
1844	--	--	5,791,943	"
1845	--	--	6,511,474	"
1846	--	--	6,899,980	"
1847	--	--	6,370,965	"
1848	--	--	6,724,876	"
1849	--	--	6,435,552	"
1850	--	--	6,409,704	"
1851	--	--	6,573,280	"
1852	--	--	6,904,116	"
1853	--	--	7,859,754	"

The view which I have now taken of the state of our country is founded principally on the records of the past. I have noticed only those circumstances which are peculiar to Ireland, and have not thought it any part of my province to refer to the possible future effects of the great contest in which this empire is at present engaged. Hitherto its effects on our trade or our internal concerns have been scarcely appreciable. But we cannot conceal from ourselves that the war, if long continued, must have an important influence on the condition of our country, which may, to some extent, modify the conclusions at which I have arrived. It is well, however, to consider our present circumstances, irrespective of any external cause which may hereafter affect them; and it is satisfactory to know, that so far as internal affairs are concerned, the resources of the country appear to be progressively improving.

In this review of the state of Ireland, as exhibited in the statistical returns referred to, we find the population greatly diminished since 1841; but those that remain appear to be in decidedly better circumstances. We find the number of small holdings very much less, while farms of thirty acres and upwards have been more than trebled in number, thus affording better scope for the pursuit of agriculture as a science, and increasing the number of farms which are suited to the rearing and fattening of cattle. The value of farm stock appears to have increased fifty per cent., which, taken in connection with the diminished population, makes the average value of stock for each inhabitant of the country nearly double what it was in 1841. The extent of arable land itself has been largely increased, thus adding considerably to our fixed capital. The savings of our poorer classes were sadly diminished in 1847 and 1848; but even this fund appears to be now gradually on the increase. The enormous amount of destitution arising from the famine has been fairly met. The number of paupers in the workhouses is greatly reduced, and this reduction seems likely to progress still farther. We may consider the danger in this respect as over, and the expenses which we are now called on to bear can hardly be deemed excessive. The Incumbered Estates Court has freed a large portion of the landed property of the country from the complicated difficulties arising from embarrassed proprietors, Chancery management, and a pauper tenantry. Many of the purchasers have spent and are spending large sums of money in the improvement of their estates.

Crime, which had been greatly increased by the effects of the famine, has been considerably reduced in amount, and appears now to be progressively diminishing. The returns of shipping shew that commerce has increased. We have sufficient evidence to prove the growth of our internal trade and of our manufacturing industry. The greatly increased consumption of tea amply demonstrates that the comforts and luxuries of the middle and lower classes have kept pace with our progress in other respects.

But what is yet more indicative of improvement, the political agitation which once engrossed our thoughts, is now so much diminished that it is almost forgotten. We no longer seek regeneration in great political changes; and in proportion as we have lost faith in the nostrums of politicians, we have learned to rely on ourselves. We have acquired more independence, more self-reliance. The greater facilities for employing it, have brought forward Irish capital, and dispelled for ever the illusion that English money was essential to the progress of our country. We now feel that the improvement of Ireland must depend on the energy, the skill, and the industry of her own sons. It is neither assistance nor protection that we require from the legislature, but the removal of any impediments to our exertions which may still remain from antiquated or defective laws. We want "a fair field and no favor," and we confide the future well-being of our country to the blessing of Providence upon our honest and persevering industry.

APPENDIX A.—NUMBER OF HOLDINGS.

Statement shewing the diminution in the number of small holdings in Ireland, between 1841 and 1853, and the increase of larger holdings during the same period.

HOLDINGS.	1841.	1847.	1848.	1849.	1850.	1851.	1852.	1853.
1 acre and under	Unknown	62,447	44,262	31,939	35,326	37,728	35,058	35,785
Above 1 acre to 5 acres	310,375	125,926	101,779	98,179	91,618	88,093	81,561	79,418
Above 5 acres to 15 acres	252,778	253,650	225,251	213,897	203,331	191,854	182,308	178,701
Above 15 acres to 30 acres	79,338	150,999	146,725	150,120	145,880	141,311	139,188	138,864
Above 30 acres	48,623	187,147	140,817	156,960	152,587	149,090	151,408	152,571
TOTAL	691,114	730,149	658,834	651,145	638,222	608,066	589,471	585,349

APPENDIX B.—EXTENT OF LAND UNDER CROPS.

Statement shewing the extent of Land under Crops in Ireland, in the year 1847, and the years 1849 to 1854, inclusive.

	1847.	1849.	1850.	1851.	1852.	1853.	1854.
Wheat	743,871	687,646	604,867	504,248	353,566	326,896	411,423
Oats and other cereals	2,569,708	2,486,778	2,544,689	2,693,153	2,623,040	2,506,491	2,330,731
Potatoes	284,116	718,608	875,357	868,501	876,532	898,733	989,435
Turnips and other green crops	443,622	449,031	442,215	504,105	478,355	519,510	423,098
Flax	58,312	60,314	91,040	140,536	137,008	174,579	150,972
Meadow	1,138,946	1,141,371	1,200,124	1,246,408	1,270,713	1,270,742	1,257,717
TOTAL	5,288,575	5,643,748	5,768,292	5,835,951	5,789,214	5,696,951	5,568,376

APPENDIX C.—FARM STOCK.

Statement shewing the number of holdings in Ireland exceeding one acre, and the Stock thereon and value of same, in the years 1841 and 1847, and the years 1849 to 1853 inclusive.

	No. of Holdings.	Horses and Mules.	Asses.	Cattle.	Sheep.	Pigs.	Goats.	Poultry.	Value.	Value of Stock in possession of persons who held or whose holdings do not exceed 1 acre.		Total Value of Stock.
										£	£	
1841	691,114	576,115	92,865	1,868,116	2,106,189	1,412,813	Not taken.	8,468,517	19,389,848	1,705,965	21,105,808	
1847	728,523	557,917	126,355	2,591,415	2,186,177	672,459	164,043	5,691,055	24,366,812	460,735	24,820,547	
1849	619,027	548,288	117,939	2,771,139	1,777,111	795,463	182,988	6,398,001	25,318,666	478,950	25,692,616	
1850	592,896	548,719	123,412	2,917,949	1,876,096	927,502	201,112	6,945,146	26,519,577	482,382	26,961,959	
1851	570,338	548,312	136,981	2,967,461	2,192,128	1,084,857	285,313	7,470,694	27,326,150	411,948	27,787,398	
1852	554,413	545,900	144,120	3,095,067	2,613,943	1,072,658	278,444	8,175,904	28,701,693	462,586	29,154,229	
1853	540,554	561,100	148,720	3,388,309	2,142,666	1,144,945	296,182	8,660,788	31,458,785	385,983	31,844,718	

APPENDIX D.—POOR-LAW RELIEF.

Statement shewing the expenditure under the law for the relief of the Poor in Ireland, from the year 1844 to 1853, with the numbers relieved, and other particulars.

Year ending 24th Sep.	Expenditure. £	Number of Paupers relieved.			Maximum number relieved.				Minimum number Relieved.			
		In Workhouses.	Out of Workhouses.	Total.	In Workhouses.	Date of maximum.	Out of Workhouses.	Date of maximum.	In Workhouses.	Date of minimum.	Out of Workhouses.	Date of minimum.
1844	271,384	105,358	nil	105,358	..	..	..	..	..	..	..	..
1845	316,925	114,205	nil	114,205	43,947	14th Feb.	nil	..	33,835	26th Sept.	nil	..
1846	435,001	243,983	nil	243,983	96,248	26th Dec.	nil	..	42,645	2nd Jan.	nil	..
1847	803,686	417,139	nil	417,139	119,628	11th Dec.	nil	..	75,376	4th Sept.	nil	..
1848	1,835,634	610,463	1,483,042	2,043,505	185,825	30th Dec.	833,889	1st July.	107,320	9th Sept.	199,603	7th Oct.
1849	2,177,551	982,284	1,210,482	2,142,766	227,379	16th June.	784,367	7th July.	140,266	6th Oct.	95,443	8th Dec.
1850	1,430,108	805,702	368,565	1,174,267	264,048	22nd June.	148,909	23rd Feb.	155,173	28th Sept.	2,249	19th Oct.
1851	1,141,647	707,443	47,914	755,357	265,170	21st June.	19,979	14th June.	140,031	27th Sept.	2,719	4th Jan.
1852	883,367	504,864	14,911	519,775	196,966	21st Feb.	3,757	19th June.	111,117	18th Sept.	2,485	18th Sept.
1853	785,718	396,436	13,232	409,668	180,774	19th Feb.	4,152	26th Feb.	79,410	24th Sept.	1,761	5th Nov.
1854	..	..	..	..	116,033	th Feb.	2,477	21st Jan.	..	..	..	..

APPENDIX E.—INCUMBERED ESTATES COURT.

Short result of Proceedings from the filing of the first petition on the 21st October, 1849, to the end of the last session of the sittings of the Commissioners, viz., 31st July, 1854.

Progressive Periods.	Number of Petitions lodged.	Number of absolute orders for sale.	Number of estates, or parts of estates, sold.	Number of lots sold.	Number of conveyances executed.	Estimated extent of land sold. Acres.	Estimated gross rental of property sold. £	Amount of purchase-money of property sold.		Amount of lodgments by purchasers, including lodgments of stock.		Amount distributed in cash and stock including credits to incumbrancers who purchased.	
								£	s. d.	£	s. d.	£	s. d.
21st Oct. 1849, to 31st July, 1850	1,085	661	92	400	62			1,671,781	1 10	498,149	6 8	225,372	15 0
1st Aug. 1850, to 31st July, 1851	801	542	335	1,531	602			8,172,195	9 0	2,069,974	2 8	1,206,621	19 6
1st Aug. 1851, to 31st July, 1852	603	489	341	2,097	1,388			3,222,219	19 0	2,779,888	14 3	2,618,849	15 10
1st Aug. 1852, to 31st July, 1853	488	391	326	1,840	1,369			3,207,421	1 8	8,763,761	2 8	3,484,579	18 2
1st Aug. 1853, to 31st July, 1854	414	383	297	1,280	964			1,735,725	11 11	3,006,319	1 9	3,201,700	7 0
TOTAL	3,291*	2,466	1,391	7,148	4,385	2,000,000†	950,000†	13,009,293	3 5	12,118,042	7 7‡	10,686,124	15 6§

ACCOUNTANTS' OFFICE.

THOMSON SEED, Accountant.

Number of English, Scotch, and Foreign purchasers	217.
Estimated extent of land bought by them	550,000 acres
Purchase-money paid by them	£2,248,040 12s. 6d.
Number of cases in which owners presented petitions	823 †
Number of cases in which owners were bankrupt or insolvent when petitions were presented	309. ‡
Number of cases which had been pending in the Court of Chancery before being brought into the Incumbered Estates Court	1,132.

* Of these petitions about 470 were supplemental, or were dismissed by the Commissioners.

† The estimated extent of land, and the estimated gross rental of property sold, can only be considered as approximations to the real amounts. The private sales did not always afford data to calculate either acreage or rentals; and in several instances the acreage has been repeated, by the sale of derivative interests in portions of the same estate of which the fee has been sold on a different occasion. In a few cases the fee of the same estate has been twice sold. The gross rental is subject to many deductions—for head, crown, and quit rents, and tithes rent-charge, and also for jointures and annuities. It is, therefore, impracticable to state the net amount of the rentals so as to ascertain the number of years purchase at which the properties have been sold.

‡ The difference between the amount of the purchase-money and the amount of lodgments made by purchasers arises from provisional credits not yet made absolute, and from the purchase-money of many recent sales not having been yet lodged.

§ The difference between the amount of lodgments and the amount distributed arises from:—funds allocated in trust; payments ordered by the Commissioners and not yet called for by the parties entitled thereto; provisional credits not yet made absolute; and the balance of cash and Government stock standing to the credit of the Commissioners in the Bank of Ireland, on account of cases not yet fully adjudicated on.

¶ Of the first hundred petitions, six were presented by owners. Of the last hundred petitions, the owners of the properties presented fifty-one.

¶ In several other cases the owners of the property became insolvents or bankrupts after petitions had been presented, and the proceedings were subsequently carried on in the names of their assignees.

Nov. 1854.

C. M. ORMSBY,
Statistics Office.

APPENDIX F.—CRIME.

Statistics taken from the Criminal Returns and the Reports of the Inspectors of Prisons, for the years 1844 to 1853, inclusive.

	1844.	1845.	1846.	1847.	1848.	1849.	1850.	1851.	1852.	1853.
OFFENCES.										
Offences against the person, with violence ..	5,482	4,827	5,110	4,549	5,966	5,275	4,202	2,930	2,654	2,423
Offences against property, with violence ..	1,058	1,112	1,297	2,229	2,561	2,682	2,224	2,215	1,620	1,403
Offences against property, without violence ..	6,377	5,686	6,603	17,484	19,547	23,178	16,787	14,029	9,761	8,345
Malicious offences against property ..	211	216	191	321	926	707	463	361	313	185
Forgery and offences against the currency ..	123	86	99	183	202	271	260	244	236	188
Miscellaneous Offences	6,197	4,769	5,192	6,448	9,320	9,881	7,451	4,905	3,104	2,650
Total commitments	19,448	16,696	18,492	31,209	38,522	41,989	31,326	24,684	17,678	15,144
CONVICTIONS AND SENTENCES.										
Death	20	13	14	25	60	38	17	17	22	15
Transportation for various periods	700	615	703	2,185	2,698	3,060	1,849	1,978	1,411	973
Imprisonment for various periods, exceeding six months.	648	649	954	1,781	1,679	2,074	1,917	1,764	1,349	1,379
Imprisonment for six months and under, and other light punishments	6,674	5,824	6,968	11,242	13,769	16,040	13,325	10,628	7,672	6,347
Total Convictions	8,042	7,101	8,639	15,233	18,206	21,202	17,108	14,377	10,454	8,714

APPENDIX F., continued.—CRIME.

Statistics taken from the Criminal Returns and the Reports of the Inspectors of Prisons, for the years 1844 to 1853, inclusive.

	1844.	1845.	1846.	1847.	1848.	1849.	1850.	1851.	1852.	1853.
Proportion per cent of Convictions to Commitments	41.13	42.53	46.72	48.81	47.26	50.49	54.61	58.24	58.13	57.54
Executions	11	3	7	8	28	15	8	2	6	9
Commitments for trial at assizes and sessions of persons under the age of 16	939	878	1,007	2,382	2,962	2,720	2,419	2,008	1,713	1,495
Commitments for trial of persons between the ages of 16 and 21	2,851	2,470	2,824	5,280	6,576	7,969	6,571	5,781	4,406	3,594
Per centage of commitments of persons under 16, to the whole number of commitments	4.38	5.25	5.44	7.63	7.68	6.47	7.72	8.11	9.67	9.87
Per centage of commitments of persons between 16 and 21, to the whole number of commitments	14.66	14.79	15.27	16.91	16.56	18.37	20.37	23.42	24.91	23.53
Summary convictions by Magistrates, as reported by Constabulary, including Vagrants ..	..	..	..	..	..	101,483	114,639	131,997	130,276	145,286
Outrages reported to the Constabulary office ..	..	..	12,382	20,986	14,080	14,908	10,639	9,144	7,824	5,482
Total number of persons confined in gaols, including Jeltors	49,537	46,099	47,311	75,685	97,959	112,478	116,871	113,554	92,638	83,806
Daily Average	4,642	4,320	4,611	8,900	10,968	12,648	11,496	10,746	8,578	6,841
Number in prison at the end of each year	4,730	4,151	6,118	11,021	12,190	11,402	10,419	8,813	7,310	5,794
Number of deaths in prisons .. .. .	..	81	131	1,315	1,190	1,306	578	494	213	187
Proportion of deaths to prisoners .. .. .	..	1 in 569	1 in 361	1 in 57	1 in 82	1 in 86	1 in 200	1 in 233	1 in 435	1 in 534

APPENDIX G.—SHIPPING.

Number and Tonnage of Vessels that entered and cleared at the Ports of Ireland during the years 1844 to 1848, inclusive.

	1844.		1845.		1846.		1847.		1848.	
	Vessels.	Tonnage.	Vessels.	Tonnage.	Vessels.	Tonnage.	Vessels.	Tonnage.	Vessels.	Tonnage.
FOREIGN TRADE.										
Inwards..... British.....	386	49,364	293	37,651	595	82,978	1,610	272,333	879	145,598
"..... Foreign.....	142	18,881	180	26,345	378	75,266	1,145	238,361	601	109,857
Outwards..... British.....	166	43,087	155	37,689	284	61,963	1,038	183,318	455	129,972
"..... Foreign.....	72	9,876	147	22,775	264	51,660	857	188,141	431	76,983
COLONIAL TRADE.										
Inwards..... British.....	541	138,918	763	210,136	645	183,665	499	120,784	463	138,596
"..... Foreign.....	nil	nil	nil	nil	nil	nil	nil	nil	nil	nil
Outwards..... British.....	456	115,802	538	148,096	651	180,968	647	176,955	362	101,868
"..... Foreign.....	nil	nil	nil	nil	nil	nil	nil	nil	nil	nil
COASTING TRADE.										
<i>Sailing Vessels.</i>										
Inwards.....	17,115	1,224,543	17,839	1,270,567	19,141	1,452,784	16,901	1,235,417	17,983	1,379,839
Outwards.....	10,363	687,702	10,564	684,611	8,364	563,605	7,921	516,805	8,649	648,922
<i>Steamers.</i>										
Inwards.....	3,115	783,961	3,653	925,021	3,671	995,173	3,350	949,985	3,309	961,193
Outwards.....	3,321	830,812	3,797	956,121	3,898	1,053,462	3,436	971,321	3,419	998,609
	35,677	3,902,896	37,929	4,318,011	37,881	4,701,474	37,404	4,553,870	36,501	4,686,447

APPENDIX G, continued.—SHIPPING.

Number and Tonnage of Vessels that entered and cleared at the Ports of Ireland during the years 1849 to 1853, inclusive.

	1849.		1850.		1851.		1852.		1853.	
	Vessels.	Tonnage.	Vessels.	Tonnage.	Vessels.	Tonnage.	Vessels.	Tonnage.	Vessels.	Tonnage.
FOREIGN TRADE										
Inwards..... British.....	1,311	291,682	1,016	155,000	1,238	197,043	1,070	192,689	850	144,536
" Foreign.....	769	146,427	871	160,288	1,204	259,982	804	172,991	1,135	218,155
Outwards British.....	568	144,907	433	96,497	514	121,899	402	95,007	319	74,251
" Foreign.....	649	119,267	704	130,588	918	203,586	620	139,464	945	201,628
COLONIAL TRADE.										
Inwards..... British.....	366	96,025	318	90,012	365	108,070	328	94,615	309	90,356
" Foreign.....	..	..	15	6,129	26	9,152	24	8,238	60	19,344
Outwards British.....	348	94,714	248	68,626	229	91,083	248	72,948	220	69,953
" Foreign.....	21	5,095	57	16,082	107	30,145	57	15,908	69	17,477
COASTING TRADE.										
<i>Sailing Vessels.</i>										
Inwards.....	16,548	1,179,929	16,403	1,191,243	17,931	1,352,308	16,321	1,164,709	18,101	1,417,465
Outwards.....	7,572	495,350	7,360	438,593	7,955	510,821	7,501	503,894	8,570	648,195
<i>Steamers.</i>										
Inwards.....	3,484	1,082,604	4,340	1,303,489	4,254	1,217,809	4,779	1,416,082	4,860	1,484,927
Outwards	3,798	1,147,743	4,534	1,338,722	4,374	1,328,001	4,624	1,409,950	4,692	1,459,410
	35,434	4,733,743	36,299	4,995,218	39,115	5,480,794	36,778	5,287,505	40,130	5,845,597

APPENDIX G., concluded.—SHIPPING.

Vessels Registered at Irish Ports as belonging to Irish Proprietors, for the years 1844 to 1853, inclusive.

	1844.		1845.		1846.		1847.		1848.	
	Vessels.	Tonnage.	Vessels.	Tonnage.	Vessels.	Tonnage.	Vessels.	Tonnage.	Vessels.	Tonnage.
<i>Sailing Vessels.</i>										
Under 50 tons	941	26,467	1,004	28,312	1,067	30,397	1,075	30,717	1,063	32,492
Above 50 tons	1,011	164,627	1,056	178,518	1,087	194,926	1,140	211,072	1,168	212,569
<i>Steamers.</i>										
Under 50 tons	7	267	8	309	10	382	12	417	13	442
Above 50 tons	74	17,252	71	17,760	87	21,991	92	23,350	93	24,239
	2,033	208,613	2,139	224,399	2,261	247,696	2,319	265,566	2,347	269,742
	1849.		1850.		1851.		1852.		1853.	
	Vessels.	Tonnage.	Vessels.	Tonnage.	Vessels.	Tonnage.	Vessels.	Tonnage.	Vessels.	Tonnage.
<i>Sailing Vessels.</i>										
Under 50 tons	1,080	32,001	1,087	29,570	991	28,295	1,003	28,614	1,037	29,721
Above 50 tons	1,142	208,312	1,098	204,183	1,097	205,559	1,075	198,771	1,061	199,419
<i>Steamers.</i>										
Under 50 tons	13	442	12	398	13	426	12	370	17	554
Above 50 tons	98	24,927	102	27,281	102	28,131	98	27,242	104	29,670
	2,333	267,682	2,249	261,432	2,203	263,411	2,183	264,997	2,219	269,364

IV.—*What a perfect Income Tax of Ten per cent. would produce.*—
By William Neilson Hancock, LL.D.

[Read, December 18th, 1854.]

GENTLEMEN,

It is the plain duty of every subject of this great empire to contribute any information or suggestion that he may deem of use towards sustaining the contest in which we are now engaged.

In discharging this duty, I do not propose to attempt giving suggestions as to military operations, of which I have had no experience. I am quite content to leave these to Lord Raglan and his brave generals; but it is for those who stay at home to bear their share of the contest, in the shape of taxation to defray the expenses of the war; and I propose to direct your attention to some considerations which have an important bearing on the decision of the question—how the requisite funds can best be raised?

The relative merits of loans and increased taxation have been discussed in a paper read before this Society by Mr. Cairnes. Into that branch of the question I do not propose to enter. I may, however, observe, that the manly, unselfish course is for those on whom this contest has devolved to bear the burden of it, and to transmit their inheritance to their descendants not only strengthened by their valour but unincumbered by their debts.

Assuming that increase of taxation will be necessary, it becomes important to consider the resources of our fiscal system for raising what may be required.

The tendency of recent financial changes has been towards the gradual substitution of direct for indirect taxes; in other words, of taxes on income and succession for those on trade and commerce.

The commencement of this policy was made by Sir Robert Peel, when he took an income tax as the basis of his great financial reforms. Mr. Gladstone followed up with great ability the commencement of Sir Robert Peel. His budget of 1852 was a great step towards a perfect income tax. He extended the succession duty to real property, he included Ireland in the income tax, and he reduced the limits of exemption from £150 to £100.

Still, Mr. Gladstone's system of direct taxation is far from complete. In the first place, the succession tax is imposed as a distinct tax, instead of being incorporated and made part of the income tax. Then, the farming classes are too favourably dealt with, in the mode of estimating their income; and lastly, the limit of taxation stopping at £100, exempts all incomes below £2 a week—or, in other words, nearly the whole labouring population of the United Kingdom.

This want of completeness in the present income tax appeared very strongly when it became necessary to use it as a war tax. Such a time is not a convenient or suitable one for great changes in fiscal policy; hence the simple proposition, last spring, of doubling the income tax for half a year.

This proposition was not, however, accompanied by a corresponding increase in the tax on successions to real property, nor in the probate and legacy duties, which are the taxes on succession to per-

sonal property. Thus the equalisation in the scale of taxation on permanent and precarious incomes, which had been gained by the establishment of the succession duty, was sacrificed because this duty was not, as it ought to have been, made a part of the income tax, so that the one could not have been doubled without the other.

Again, whilst other classes will now be called on for their double income tax, the two most numerous, and, at the present moment, amongst the most prosperous classes in the community—the small farmers and the labourers—will almost entirely escape their fair share of the burden.

The fiscal resources of this empire are not, therefore, to be judged of by the operation of the present taxes on income and succession. It remains to estimate what a perfect income tax of 10 per cent. throughout the three kingdoms would produce.

What is called a perfect income tax is only a development of Adam Smith's first maxim of taxation:—"The subjects of every state ought," he says, "to contribute towards the support of the government as nearly as possible in proportion to the revenue which they respectively enjoy under the protection of the state." Now, I have explained, in communications laid before this Society,* that the revenue or income of a taxpayer can be reduced to four distinct elements:—

1st—The wages a man receives for his labour.

2nd—The profit he derives from the use of his capital.

3rd—The rent he gets out of his land.

4th—The value of any property, whether real or moveable, which he obtains by gift or succession during the year.

Thus, a perfect income tax includes a tax on wages, profit, and rent, and on gifts and successions.

Let us estimate its amount:—

Sir Robert Peel's tax of 7d. in the £1 on wages, profit, and rent above £150 in Great Britain, has produced	£5,500,000	
This at 24d. in £1, or 10 per cent., would give		£19,250,000
The probate and legacy duty assessed on successions to personal property above £20 in the United Kingdom, has produced	2,000,000	
At an average of 5 per cent., this at 10 per cent. would give		4,000,000
Mr. Gladstone's extension of the income tax to Ireland† has produced about	600,000	
This at 10 per cent. would give (3½)		2,100,000
His extension to incomes between £150 and £100 in Great Britain, at the rate of 5d. in the pound, he estimated to bring	180,000	
This at 7d. would become £252,000, and at 10 per cent. (3½) would give		882,000
Mr. Gladstone's succession tax on real property was estimated to produce (at an average of 3 per cent.)	2,000,000	
This at 10 per cent. would give		7,000,000
		£32,232,000

* See my paper on the General Principles of Taxation, Transactions of the Dublin Statistical Society, vol. 2, No. 47.

† The Irish Tax extended to only 24,000 persons; it was collected at a cost of 5 per cent. The customs and excise are not collected for less than 7 per cent., besides the derangement of trade and other inconveniences to tax-payers which they produce.

Such would be the result of raising our present income and succession taxes to a uniform rate of 10 per cent. We have next to estimate the effects of extending the income tax to the labouring classes, and to all incomes above 6s. a week.

The number of labourers in the United Kingdom may be calculated in this way. The entire population of 1851 was twenty-eight millions. This gives 14,000,000 of males; and those between 14 and 63 may be assumed to be one-half of this number, or 7,000,000. Of these 7,000,000 we may assume that 5,000,000 are labourers. Now the average rate of wages may be taken as not less than 9s. a week. For want of the decimal system of currency the tax on wages would have to be levied at 1d. in the 1s., or 1-12th instead of 1-10th; 1d. in the 1s. on wages would thus give for the United Kingdom £10,000,000.

The rest of the men whose incomes would be between £15 and £100 may be assumed at one million, leaving 500,000 men or 2,000,000 of population to represent the classes now paying income tax, and 500,000 or 2,000,000 to represent the paupers and disabled classes, and all those on the verge of pauperism.

The average income of those between £15 and £100 may be taken at £57½, or nearly £60; thus giving, at 10 per cent., an income tax of £6,000,000.

If the several sums at which I have successively arrived be added together, we shall have for the total amount of a perfect income tax of 10 per cent. extended to the whole United Kingdom, and to all incomes above 6s. a week, the sum of £49,232,000.

When such is the productiveness of this great tax, we need not despair of our fiscal resources in the contest in which we are engaged; neither need we resort to loans from any inability to raise the required amount from those who are able to bear the burden.

The explanation of the resources of the perfect income tax has an importance, however, beyond the present war.

One of the results already obtained, a result worth the whole contest, is the cordial alliance which has been established between the two western powers that are at the head of the civilization of mankind. That alliance, however, involves very serious changes in our fiscal policy, whenever the return of peace allows extensive alterations to be introduced. The prohibitory tariffs, the offspring of past feuds, which interfere with the trade between France and England, must inevitably be altered. Large reductions in the duties on wines and other French products must be made by us. But reductions in customs duties must lead to modifications of the excise duties on the competing articles of home manufacture, involving the malt tax and the duties on spirits and hops.

The adoption of perfect free trade with France and with Turkey, and with the other European nations that enter into alliance with us, involves a reconstruction of our financial system. A perfect income tax affords the means of carrying out such a policy to any extent; for we have seen that by a tax of 10 per cent., nearly the entire sum required for the ordinary expenditure of the United Kingdom may be raised.

Thus we see that neither the present war nor the return of peace

need interrupt the progress of financial reform, nor of the complete development and freedom of commerce.

In making these allusions to the progress of free trade in connexion with the war, I cannot but notice the disfavour into which these principles are likely to be brought by the course taken by Mr. Cobden and Mr. Bright in their comments on standing armies and on the present war. I feel bound, therefore, to guard against their views being taken as a fair measure of what freetraders and economists in general entertain.

The writer who of all others may be taken as the fairest exponent of the opinions of economists in general, is Adam Smith, and I would refer those who think that ultra-peace principles are an essential part of Political Economy, to his chapter on the duties and expenses of the sovereign. He begins thus:—"The first duty of the sovereign, that of protecting the society from the violence and invasion of other independent societies, can be performed only by means of a military force." Again he says:—"The art of war, however, as it is certainly the noblest of all arts, so in the progress of improvement it necessarily becomes one of the most complicated amongst them. Into other arts the division of labour is naturally introduced by the prudence of individuals, who find that they promote their private interest better by confining themselves to a particular trade, than by exercising a great number. But it is the wisdom of the state only which can render the trade of a soldier a particular trade, separate and distinct from all others." Again he says:—"It is only by means of a standing army, therefore, that the civilization of any country can be perpetuated or even preserved for any considerable time."

The concluding passage in his chapter affords the most hopeful views as to the ultimate result of the present war:—"In modern war the great expense of fire-arms gives an evident advantage to the nation which can best afford that expense, and consequently to an opulent and civilized over a poor and barbarous nation. In ancient times the opulent and civilized found it difficult to defend themselves against the poor and barbarous nations. In modern times, the poor and barbarous find it difficult to defend themselves against the opulent and civilized. The invention of fire-arms—an invention which at first sight appears to be so pernicious—is certainly favourable both to the permanency and to the extension of civilization."

The lesson to learn from this suggestive passage is, to use our wealth and the resources of our civilization with no sparing hand; to aid our troops with the best artillery and other warlike materials; to develop the resources of steam, the electric telegraph, and of other modern inventions, in facilitating their operations, in securing their comfort and safety against disease and hardship, so as to direct their entire energies against their barbarous foe.

Such warfare, though most costly at first, is really the least burdensome, because it is the most effective. The only barrier to its adoption is a doubt as to our fiscal resources, and that doubt I have endeavoured to remove.

IV.—*Statistics (with some additions) given in evidence before a Select Committee of the House of Commons on Public Houses.*—By James Haughton, Esq.

[Read before the Society, Dec. 18th, 1854.]

GENTLEMEN,

The object of this society being the collection of facts, with a view of applying our knowledge to the purposes of life, in the doing away of error and prejudice, and implanting truth in their stead,—it is obviously our duty, individually and collectively, to keep these objects steadily and constantly in view, in order that the largest possible amount of advantage to our fellow men may be the result of our labours. Many of our members may not have time to spare from their various pursuits in life for the collection of statistics, but all can aid in diffusing a knowledge of the facts laid before us at our monthly meetings, and in our publications. Hitherto our meetings have all been rendered interesting, our Council having brought under our notice a sufficient number of papers, most of them of a highly instructive character, and affording evidence of no little care in their preparation.

I have no reason to fear that we shall not be always supplied with papers of this description; but I feel that it would increase the usefulness of our society, if a larger number of our members were to favour us occasionally with papers. I would have all bear in mind that, however humble our attainments, we may yet be able to impart some information to others, if circumstances permitted us to devote a very small portion of our leisure to the task.

Having frequently appeared before you in this character, I make these remarks by way of preface or apology for the paper I have now to bring under your notice. The subject of it is not popular among our educated classes; but it is, in my humble judgment, a subject of the deepest importance; and I hope to lay before you, on the present occasion, such a body of evidence in favour of my views, as will convince your judgment that it is a subject well deserving the most serious attention; not alone of our members but of the entire community; not alone of the political economist but of the statesman also. No other question strikes my mind as of equal importance to the people of these lands; it is practical in its results, and its settlement is essential to our progress in wealth, virtue, and civilization.

The drinking customs of our people destroy an amount of property so enormous, and turn into unproductive channels so large a portion of the earnings of all classes, as to render it a hopeless task to create a wise and proper distribution of the annually gathered up resources of the country, so long as these customs shall be allowed to fritter away, and render altogether useless those products of industry, which would otherwise be made available as individual and national capital, in the production of added wealth, that would again, by

calling into activity, and abundantly remunerating the industry of our people, soon contribute to lessen, if not entirely do away with, the vice and misery which are now so prevalent, and which entail heavy burthens on the industrious and prudent portions of society.

In June last I was summoned to London, to give evidence before the Parliamentary Committee on public houses.

I was informed that the Committee were desirous to obtain information as to the results of opening our Zoological Gardens to the public on Sundays, at the small charge of one penny, which privilege was granted by the Council in the year 1840, and which measure, in conjunction with our much respected brother member, Doctor Ball, I was instrumental in bringing under the notice of that scientific body.

I was also advised that I should be questioned as to my views respecting the public house system, and on the temperance reformation generally.

Some of the statistics which follow were prepared by me for that occasion. In order to show the good done by opening the Zoological Garden at a low price of admission on Sundays, I handed in the following table of visitors for the last fourteen years:—

Years.	At One Penny.	Free.	Total at various Prices.
1841	81,404	2,387	97,405
1842	96,425	4,726	109,706
1843	70,415	4,444	89,706
1844	91,284	5,524	111,341
1845	98,704	4,987	132,485
1846	97,084	3,446	111,865
1847	73,107	3,501	88,685
1848	51,634	2,998	66,167
1849	51,095	3,332	64,328
1850	49,096	2,694	60,276
1851	55,807	2,342	66,160
1852	79,908	2,240	92,096
1853	65,346	2,977	78,049
1854	87,325	2,987	114,238

I was asked, "taking the year 1841, when the numbers on Sunday were 81,000, what do you say was the gross number who went to the Zoological Garden?"—"Ninety-seven thousand."

"Am I to understand that 81,000 went on Sundays, and that the difference between 81,000 and 97,000 was filled up by all the other days of the week?"—"Yes; admitted at various prices, from 6d. to 2s. 6d. each. Two shillings and six-pence is the price of admission on fete days."

"Eighty-one thousand is the direct gain in the number which were admitted on Sunday?"—"I should say so."

"In fact, it makes up four-fifths of the whole number?"—"Yes. I also beg to hand in the following extract from a memorial of the Council to the Lord Lieutenant, which is contained in the

Twenty-second Annual Report of the year 1854, ending in March last:—

“And, above all, we have afforded to the working classes a most attractive place of rational recreation, one of which they fully avail themselves, and in which they manifest a conduct so decorous as to claim still further indulgence; upon this we chiefly found our claim to public consideration.”

“Are any liquors sold in the Zoological Gardens?”—“No intoxicating liquors of any kind. There are some refreshments sold.”

“I have also a copy of a letter from the secretary of the Dublin Mechanics’ Institution to the secretary of the Zoological Society, just after it was opened at one penny in the year 1840; it is dated November 5th, and is of an exceedingly pleasing character:—

“Sir,

“I am instructed by the Board of Directors to express their gratitude to the Council of the Royal Zoological Society of Dublin for the valuable means of improvement and innocent relaxation which they have placed within the reach of the working classes, in opening their gardens on Sunday at a premium so very low that the humblest may (if so disposed) participate in the advantages and enjoyments they afford. May we not hope that other public institutions will follow your praiseworthy example, particularly those at whose disposal large public funds are placed. To such opportunities of improvement as your society now affords are mainly owing the intelligence, the appreciation of works of art, and that polish of manner so marked in the natives of those countries, whose higher tastes and educational wants are consulted and provided for.

“By order,

“ZECHARIAH DOWLING,

“Honorary Secretary, and
Operative Printer.”

“You have a good deal of communication with the working classes?”—“I have been constantly in communication with them for many years.”

“Do you think the letter which you have read is a fair representation of their feeling?”—“Yes, I think so.”

“You think they would desire to have places of recreation more extensively opened to them on Sunday?”—“Unquestionably.”

“Would a large class of these persons be found in public houses if they were not amusing themselves in this way?”—“Certainly; they consist chiefly of tradesmen, and their wives, and daughters.”

“Do you infer from that, that if the people had other attractions, and had not the temptation of public houses and beer houses open to them, they would resort to those places?”—“To a very large extent; the temptations of the public houses are, however, so great, that I cannot imagine any thing short of closing them altogether, would do away with the evil.”

The Committee asked my views relative to opening other places of public amusement on Sunday. I suggested that the Museum of the Royal Dublin Society, and the Botanic Gardens, at Glasnevin, might be thus made instrumental in the production of much good.

The Museum at Stephen's-green should also be made available, in this way, for public benefit; and the Royal Irish Academy would likewise be a place of great popular resort. Experiment on one or two occasions has proved the correctness of this opinion.

All these instrumentalities, if placed within reach of the working classes, would refine them, by creating a taste for innocent and intellectual pleasures.

The remainder of my examination had a more direct reference to the results of our drinking customs, regarding which I submitted the following details:—

"I learned from the Collector of Excise a few days ago, that the Excise receipts in Dublin in 1840 were about £240,000; last year they amounted to nearly £500,000."

"Were these receipts for duty on spirits?"—"They were excise receipts, I believe on other articles as well; tobacco is an excisable article, and some others. The increase was chiefly on whiskey, showing that there is a considerable increase in its consumption. The consumption of whiskey has increased about three millions of gallons beyond the lowest point to which teetotalism had reduced it, which was, I think, from about twelve millions to five millions of gallons."

"To what period do you refer when it was the lowest?"—"I think it was about the year 1842."

"Was there not a great temperance movement in Ireland at that time?"—"Yes."

"Do you account for the reduction in that way?"—"Entirely in that way, no doubt. A reduction in consumption attended the extraordinary enthusiasm which followed the labours of Father Mathew in Ireland."

"He was supported by O'Connell at that time, was he not?"—"Yes, he was supported by almost the whole population."

"Were the consequences apparent and useful? Were the people better clothed?"—"Yes, as was apparent to every observer. The people were better clothed, and better behaved in every way; indeed, I am happy to say, they continue so, to a very great extent."

Last year the quantity of whiskey on which duty was paid in Ireland was, 8,136,362 gallons. Some stop must be put to this waste of our national resources—to this downward tendency—or poverty and demoralization must increase.

"The revenue from spirits in Ireland was, doubtless, much reduced by the temperance reformation?"—"I have not been able to ascertain how far that reduction was compensated for by an increased consumption of other excisable articles; but the following table, exhibiting the consumption of spirits, tea, sugar, &c. taken from official returns, shows that a considerable increase did take place in several other such articles about that period. In sugar, there appears to be little change in the revenue; but it is supposed there was also a large increase of duty in this article, as refined sugar is largely imported into Ireland, the duty on which is paid in England and Scotland.

"The paper manufacture in Ireland shows a large increase; it was in 1835 2,700,000 lbs.; in 1840, 3,590,000 lbs.; and in 1850,

6,719,000 lbs. The revenue, of course, was largely benefitted by this increase in consumption, paper being an excisable article. We may infer that this increase was, in a considerable degree, owing to the increased capability of the people for consuming the paper, having money to spend in this way, which used to be expended in the public house."

"Do you know whether articles of necessary consumption have been equally consumed to a greater extent?"—"I can give you a considerable amount of information upon that point; for, as I have stated, I have a list of the duties received on spirits, tea, sugar, and tobacco, from the year 1836 to the year 1853; and it shows, that when the receipts for spirits were reduced, the revenue was increased on other articles, which then came much more largely into consumption. The amount is as follows:—

Years.	Spirits.	Tea.	Sugar.	Tobacco.
1836	£1,436,191	£476,239	£406,601	£727,642
1839	1,510,092	409,553	395,647	766,668
1840	1,402,130	437,480	403,788	782,788
1841	1,032,582	453,924	413,106	830,345
1842	964,711	534,563	428,181	863,946
1843	1,005,986	556,030	449,092	852,542
1844	942,988	602,005	443,979	837,373
1845	1,014,505	640,048	458,205	880,073
1846	1,196,837	723,925	346,131	927,311
1847	1,288,529	763,047	404,696	939,904
1848	986,843	712,475	433,603	805,739
1849	1,096,852	737,307	352,573	811,691
1850	1,050,765	701,145	272,160	749,238
1851	1,000,570			
1852	1,247,029	755,199	222,129	706,723
1853	1,482,308	759,864	267,376	730,832

The foregoing figures, which are taken from annual official returns, show, that, as the consumption of whiskey decreased, the consumption of tea, sugar, and tobacco increased, so as to protect the revenue from serious, if any, loss.

There is no reasonable ground for apprehension that the revenue would suffer from a total disuse of intoxicating drinks. Statistics bear me out in this opinion; and when we add to these the moral results of such a reform in our national habits, surely there ought to be no hesitation as to the course which government ought to pursue. All practices that are more hurtful than beneficial to society should be discouraged; or, if need be, prohibited altogether. Revenue derived from the vices of the people must really weaken the resources of the empire.

The statistics on this subject are quite consistent, as may be seen from the following tables, showing the results in the United Kingdom for thirty years, comprising a period of fifteen years before the temperance reformation had commenced, and fifteen years after:—

Years.	Lbs. of Coffee.	Lbs. of Tea.	Lbs. of Cocoa.
1821	7,103,409	22,426,627	276,321
1822	7,598,001	22,496,571	283,735
1823	7,659,351	23,559,155	267,495
1824	8,454,920	23,762,470	286,657
1825	8,262,943	23,784,838	318,941
1826	11,082,970	24,830,015	347,251
1827	13,203,323	25,238,067	344,776
1828	15,566,376	26,043,223	385,793
1829	17,127,633	26,790,481	354,407
1830	19,476,180	29,495,214	393,847
1831	22,691,582	30,255,299	425,382
1832	22,740,627	29,997,055	502,806
1833	22,952,527	31,548,381	1,150,193
1834	22,741,984	31,829,620	1,268,287
1835	23,785,095	34,969,651	1,173,795
1836	23,295,046	36,574,004	1,084,770
1837	24,947,690	49,142,236	1,130,168
1838	26,346,961	30,625,206	1,416,613
1839	25,765,673	32,351,593	1,608,787
1840	26,789,945	35,127,287	1,606,800
1841	28,664,341	32,252,628	2,041,678
1842	28,370,857	36,665,667	1,928,847
1843	38,519,646	37,355,911	2,246,569
1844	29,979,404	40,293,393	2,547,934
1845	31,352,382	41,363,770	2,589,977
1846	34,293,190	44,193,433	2,579,497
1847	36,754,554	46,740,344	2,950,206
1848	37,441,373	46,314,821	3,079,198
1849	37,077,546	48,734,789	2,919,591
1850	34,431,074	50,024,688	3,233,372

These figures indicate this fact, that, if the earnings of the people be not spent on intoxicating drinks, they will be laid out on other articles productive of revenue.

I have taken the foregoing returns from the "Scottish Temperance Review," of April, 1851, and the editor, to place the idea in a clearer point of view, gives the following summary, and says—"That the contrast may be more apparent, we shall put together in one amount the whole of the non-intoxicating stimulants of the first and last years, and in juxtaposition with them, the total amount of intoxicating drinks for the same years."

				Lbs.	
1850	Coffee,	--	--	--	34,431,074
"	Tea,	--	--	--	50,024,688
"	Cocoa,	--	--	--	3,233,372
					87,689,134
1836	Coffee,	--	--	--	23,295,046
"	Tea,	--	--	--	36,574,004
"	Cocoa,	--	--	--	1,084,170
					60,953,230
	Actual increase,	--	--		26,735,904

Were a proper allowance for the adulteration of coffee with chicory, of late years, made, this result would present a much more favourable appearance.

				Gallons.	
1836	Rum,	--	--	3,416,966	
"	Foreign and Colonial Spirits,	--	--	1,348,740	
"	British Spirits,	--	--	24,710,208	
"	Beer,	--	--	587,880,360	
"	Wine,	--	--	6,420,342	
					623,776,616
1850	Rum,	--	--	3,044,758	
"	Foreign and Colonial Spirits,	--	--	2,224,709	
"	British Spirits,	--	--	22,962,012	
"	Beer,	--	--	548,772,516	
"	Wine,	--	--	6,247,689	
					583,251,684
	Actual decrease,	--	--		40,524,932

Although the population had increased four millions since 1836.

"This gratifying result is fairly to be attributed to the temperance reformation. For, I shall show you presently, that, when not arrested by this cause, the growing appetite for alcoholic stimulants gathered strength at a truly fearful rate of increase.

"From the above calculations we learn, that had the population of 1849—50 drunk of coffee, tea, and cocoa, the same quantity per head, as the population of 1835—36 did, the increase in the consumption of these articles would have been only ten millions of lbs., whereas it has been nearly twenty-seven millions of lbs., or considerably more than one third. And that, had the population of 1849—50 drunk of wine, spirits, and beer, the same quantity per head as the population of 1835—36 did, the increase in the consumption of these articles would have been one hundred millions of gallons, whereas there has been a decrease of 40,500,000 gallons, showing the actual difference, taking the increase of population into account, to be upwards of 140,500,000 gallons, or more than a fifth part of the entire quantity consumed in 1836.

"Wine, the drink of the wealthy classes, nearly maintains its consumption. It exhibits very little difference in the two periods."

The Chairman now said—"Your conclusion is, that the revenue has nothing to apprehend from the people abstaining from spirituous liquors, because they would have more money in their pockets to purchase other excisable articles?"

"That is my conclusion. My strong conviction is, that the revenue would, in a little time, greatly increase; because if we increase the wealth of the people, it is quite clear that the revenue must be improved by that increase of wealth. If the consumption of intoxicating drinks have a tendency to decrease the wealth of the people, which I believe it has to a great extent, the abandonment of habits of drinking would necessarily increase the wealth of the people, and increase the revenue at the same time.

I submitted the following statement, taken from "Morewood's History of Inebriating Liquors," in order to exhibit, in a striking point of view, the steadily growing appetite for alcohol in a community. It is a statement well calculated to create a feeling of deep and painful interest in the minds of all who become acquainted with it, and it shows the necessity of prompt measures to arrest the progress of this source of national debasement.

**DISTILLATION OF SPIRITS IN IRELAND FOR 114 YEARS,
FROM 1723 TO 1837.**

Years.			Gallons.
1723	--	--	133,733
1730	--	--	134,748
1740	--	--	239,811
1750	--	--	598,546
1760	--	--	225,217
1770	--	--	801,174
1780	--	--	1,229,416
1790	--	--	2,926,795
1800	--	--	3,621,498
1810	--	--	6,412,625
1820	--	--	4,636,192
1830	--	--	9,208,538
1837	--	--	11,809,603

The population of Ireland in 1723 was about 2,200,000; in 1837 it was probably 8,000,000. So that while the increase of population was about four fold, the increase in the manufacture of whiskey was ninety fold within the same period. It is no marvel now that Irishmen should be found among the most destitute of the human family—"The worst clothed, the worst fed, the worst housed of any people."

Behold how steadily the progress of desolation moved onwards during these decennial periods. At first it was slow, and then, like a falling body whose speed is accelerated in its descent, it became fearfully rapid. Fortunately it was arrested for a while by the temperance movement, and we have had breathing time to consider the measures necessary to be adopted for national safety. Appetite is, however, working hard against reason and judgment, and we are again going down-hill; slowly, it is true, but it must be rapidly again, by and by, if wisdom and strength do not take the reins. This result is inevitable if the check be not again given, there being a steadily increasing physical predisposition to the use of alcoholic drinks. Within four years the consumption of whiskey has increased in Ireland about 3,000,000 gallons.

After a number of questions relative to the drinking habits of the people, and to the opening and shutting of public houses, I was asked—"Is there any other suggestion you would make for amendment of the law?"

I submitted copious extracts from a work published in 1830 by a well known Dublin merchant, entitled, "An Inquiry into the influence of the excessive use of Spiritous Liquors in producing Crime, Disease, and Poverty in Ireland," with a view of proving that, in every point of view, it would be attended with advantageous results to prohibit altogether the destruction of grain in our breweries and

distilleries, and thereby arrest the otherwise inevitable pauperization of the people.

The writer of that pamphlet goes at length into these topics. He shows that several times within the past century distillation from grain was prohibited, in order to secure the people from the horrors of starvation, and that in all cases a great diminution of crime was the result, attended by an immensely increased ability on the part of the people to supply themselves with the comforts of life, which was largely availed of; and although scarcity of food, bordering on actual want, was apprehended, greatly increased exportation of oats took place at those periods, to enable us to pay for our larger imports of various articles, thus proving that no real deficiency of food existed; that all we needed was to avoid madly destroying the products of our fertile soil.

The details of these results are very interesting. I will now shortly give you a few of them. During the years 1809 and 1810 distillation was stopped in consequence of an apprehended scarcity of food. The result was highly gratifying, but very different indeed from what might have been anticipated; for there was a large increase in our importation of drapery, both new and old—of blankets, cotton goods, haberdashery, earthenware, black tea, sugar, and hops. The same results took place in 1813 and 1814.

So long since as the year 1843, I petitioned parliament to the following effect:—

“To the Honourable and Right Honourable the Commons of Great Britain and Ireland in Parliament Assembled,

“The Memorial of the undersigned respectfully prayeth,

“That your Honourable House shall forthwith pass a law prohibiting altogether the manufacture of intoxicating drinks in the United Kingdom; it being a fact well ascertained, and not now disputed, that nearly all the crime and misery in the land is caused by the makers of these drinks; the judges and magistrates of the kingdom having frequently declared that, to the use of the deleterious articles manufactured by them may be attributed nearly all the wickedness of the people. Your petitioner, therefore, entreats your Honourable House to grant the prayer of his petition, as it seems to him unwise of any Government to permit the continuance of practices which, by universal consent, are so destructive of the best interests of society.”

And, for still further evidence of the rapid growth of sound views on this question, I refer our members to a long and interesting article in the *Edinburgh Review* for July last, “Teetotalism, and Laws against the Liquor Trade.” Truth, though often long overborne by prejudice and selfishness, always triumphs in the long run.

I annex a table of imports, an examination of which will at once satisfy you of the reality of this pleasing picture. It is only necessary for us to make a good use, instead of an evil use, of the bounties of Providence, to place our people in a condition of abounding comfort and happiness.

A STATEMENT of the Quantities of particular Articles conducive to the comforts of the People, which were imported into Ireland from the year 1806 to 1818, in order to show the increase in their Consumption caused by the Diminished Consumption of Spirituous Liquors in the years ending 1809 and 1810, and in those ending 1813 and 1814; during which Four Years Distillation was prohibited to prevent apprehended Famine.

Years ending 31st January.	Total quantity of Foreign Spirits Imported and of Whiskey and Brandy made by Li- censed Distillers	Drapery.		Blankets.	Cotton Goods.	Haberdashery.	Wrought Iron Hardware.	Earthenware.	Black Tea.	Muscovado Sugar.	Hops.
		Yards.	Yards.								
Gallons.	Yards.	Yards.	Number.	Value. £	Value. £	Value. £	Value. £	Value. £	Lbs.	Cwts.	Cwts.
1807	—	659,319	1,473,094	43,829	190,011	87,165	193,337	60,165	2,526,852	240,523	15,682
1808	7,994,904	917,055	1,545,543	50,492	110,855	98,361	265,534	77,887	3,424,919	324,477	27,344
{ 1809	5,335,437	1,399,155	1,678,945	100,704	304,982	109,210	249,373	90,423	3,616,270	411,168	28,841
{ 1810	2,810,578	1,484,958	1,796,986	66,708	257,941	137,686	244,497	87,841	3,324,216	369,041	33,700
1811	6,806,684	1,155,667	1,258,131	54,067	188,315	107,365	222,905	81,216	2,866,618	251,191	18,275
1812	8,858,106	1,421,793	1,573,860	18,591	86,433	114,207	276,846	77,748	3,476,441	379,747	18,301
{ 1813	5,816,131	1,506,832	2,970,166	24,999	116,737	151,479	414,549	87,112	3,698,787	426,784	23,908
{ 1814	4,393,459	1,627,583	2,649,432	37,607	109,134	165,370	414,907	106,111	3,483,298	318,121	18,562
1815	7,471,421	967,527	1,999,376	27,021	64,784	142,796	344,570	88,590	3,355,118	334,702	20,545
1816	5,960,952	739,078	1,064,904	12,718	74,357	109,412	278,830	67,246	3,429,263	262,266	17,107
1817	4,862,036	546,217	767,318	6,734	77,815	79,522	201,296	56,666	2,958,351	262,179	12,844

The quantity of spirits includes that charged with duty, and that supposed to be smuggled by licensed distillers, and also the foreign spirits of all kinds imported into Ireland.

The statement of imports is extracted from the returns made to parliament in 1822. (See Third and Fourth Reports of Commissioners of Inquiry.)

In the years 1816 and 1817, in consequence of a great increase in the duty on spirits, illicit distillation was very prevalent, which accounts for diminished imports in these two years.

In order to pay for these large imports of the comforts and luxuries of life, we were obliged, as I have stated, to export increased quantities of grain and other produce. The export of oats (the grain principally used in distillation) during the periods referred to, was, as per returns of the collector of imports and exports for 1809 and 1813, so great, that its increased value was annually, during those years of scarcity, £500,000 over the years 1807 and 1811, which were years of plenty.

But this statement does not give any true idea of what would be the real gain to our country if the destruction of grain by distillation and brewing were entirely put a stop to. We have no means of ascertaining the quantity destroyed by illicit distillation; but it was, and is still, no doubt, very large.

Seeing such advantageous social and commercial results, in the shape of large imports and exports, during seasons of real or apprehended scarcity, what amount of national prosperity might not be calculated on if all our surplus food, in seasons of acknowledged abundance, were exchanged for the comforts and luxuries of life? From the facts I have laid before you, your largest expectations—your most sanguine hopes—could hardly fail to be realized.

I was further asked—"Is it the inference which you draw generally, that whenever there has been a temperance movement, the people consumed more manufactured goods?"—"Yes. The period to which I am now referring was long before temperance was thought of; the people were only prevented from drinking whiskey because they could not get the article; it was not manufactured. I draw the inference that if we could now prohibit altogether the manufacture and sale of spirituous liquors and other intoxicating drinks, the same happy results would follow, and they would, no doubt, be permanent. The conclusion which seems to my mind inevitable is, that scarcity is created by the destruction of food in our breweries and distilleries, and that we should never have any scarcity of food but for this cause. I doubt that there was ever a scarcity of food in Ireland, bordering on famine, until the years 1846, 1847, and 1848."

"Your own principles would carry you far beyond closing public houses on Sunday, to the adoption of the Maine Law?"—"Undoubtedly; I see no other real good to be derived from legislation. I do not think that legislation to regulate an evil is either wise or effective. If drinking be an evil it should be suppressed by the legislature; and that it is an evil is universally admitted, for we are constantly endeavouring to limit it."

"Have you made any calculation as to what would be the saving in the United Kingdom if spirituous liquors were not consumed?"—"If there were an entire disuse of intoxicating drinks, I believe the annual saving would be at least £120,000,000, perhaps £150,000,000. Of this amount the sum actually expended yearly on these drinks is probably seventy or eighty millions of pounds. The balance of loss arises from various causes, such as loss of time; cost of punishing crime; feeding paupers; supporting hospitals and lunatic asylums; loss of shipping, &c., &c. Some fairly deduced calculations have raised the annual loss to even larger amounts than I have stated."

It is full time for intelligent men to take serious thought of these matters. It is the especial duty of an association founded for "Promoting the study of Statistical and Economical Science," to take earnest heed that society shall not want ample information on such vital questions, or be in any doubt as to our anxiety to use all the intellectual and moral forces it may be in our power to wield, in efforts to save the people from the sad consequences resulting from their drinking usages.

Before concluding this paper, I beg to recall your special attention to the table I have extracted from "Morewood's History of Inebriating Liquors." The information it imparts seems to me so startling as to demand our most serious attention. It points out, in the full light of revealed truth, that the appetite for alcoholic stimulants is an increasing appetite—that generation after generation is more and more enslaved by it. The taste for it becomes more and more nearly a universal mania; proving, almost to demonstration, that all who indulge in it are transmitting to their children, and their children's children, an hereditary craving, which renders them less and less able to withstand temptation, and which, if not arrested, must ultimately annihilate all the manliness and virtue of the people.*

In the year 1834, when Mr. J. S. Buckingham brought before the House of Commons his motion for an inquiry into the causes of an increase of national drunkenness, the then Chancellor of the Exchequer, Lord Althorp, looked upon it as the dream of a man who was insane on that point, and said that he doubted if even a secondor for it could be found in the house.

* So long since as the year 1743, a bill was introduced into the House of Lords for "altering the duties on spirituous liquors" on which occasion Lord Harvey and Lord Lonsdale spoke forcibly against their use. I quote a sentence from each—"If the use of spirituous liquors be encouraged, the diligence of the lower classes, which can only be supported by health, will languish." "Those women who riot in this poisonous debauchery are quickly disabled from bearing children, or, what is yet more destructive to general happiness, produce children diseased from their birth by the vices of their parents; children whose blood is tainted with inveterate and accumulated maladies; and who must be supported through a miserable life by that labour which they cannot share, and must be protected by that community of which they cannot contribute to the defence."

Prophetic words these, as witnessed by our crimes and our poorhouses.

"Drunkenness appears to be in some measure hereditary. We frequently see it descending from parents to their children. This may often arise from bad example and imitation, but there can be little question that, in many instances at least, it exists as a family predisposition.—*Macnish on the "Anatomy of Drunkenness."*

Mr. Buckingham, however, made out so triumphant a case, and his speech on the occasion was of such thrilling interest, the house was constrained to grant the motion, and a most important parliamentary inquiry was the result.

I subjoin but one extract from Mr. Buckingham's powerful address:—

"The second document to which I wish to draw the special attention of the House, is one of the most appalling, perhaps, that the history of intemperance has produced. It is a report of the number of men, women, and children who entered within a given time fourteen of the principal gin-shops of London and its suburbs, of which there are two in Whitechapel; three at Mile End; one in East Smithfield; two in Holborn; one in Bloomsbury, and three in Westminster. (The particulars of each house, which I omit, are here given.)

"The grand total for one week only in the fourteen houses selected, the names of which I have seen, and the localities of which I have myself inspected, amounts to no less a number than 269,437, divided in the following proportions, namely, 142,453 men, 108,593 women, and 18,391 children, the women and children united nearly equaling the men, and often surpassing them in the grossness and depravity of their demeanour. Alas! Sir, is it England of which we are speaking; the land of the lovely and the brave—the seat of the sciences and the arts—the school of morality and religion; or are these attributes of excellence ascribed to us in mockery, in order to heighten our sense of sorrow and of shame?"

The foregoing statistics were taken in the year 1834. The following, of a similar character, were compiled in Edinburgh in the present year, and they equally claim the attention of the political economist.

A careful examination of the numbers who entered the public houses and taverns in that city, on Sunday the 6th March last, gives the following results:—

22,202	Men.
11,931	Women,
4,631	Children under 14 years.
3,032	do. 8 "

41,796	into Public Houses.
6,609	into Taverns.

48,405 Total, being nearly one-third the entire population of the city.

"Women frequently acquire the vice by drinking porter and ale while nursing. These stimulants are usually recommended to them from well-meant but mistaken motives, by their female attendants. Many fine young women are ruined by this pernicious practice. *Their persons become gross, their milk unhealthy, and a foundation is too often laid for future indulgence in liquor.*"—Ibid.

Levison on the "*Hereditary Tendency of Drunkenness*" (a small pamphlet) also contains much evidence of this tendency; and it is a well-known truth that very many persons have such an overpowering thirst for alcoholic liquors, that they, over and over again, after long periods of entire abstinence from their use, fall into a habit of drunkenness; as if their misery were unavoidable; just as men are often attacked with gout and other diseases which it is acknowledged they inherit from their parents.

Furthermore, and in order to give you an account of all the statistics obtained up to the present time in relation to this part of our question, I subjoin a statement of the numbers who entered the public houses in Manchester recently on a given Sunday. It is taken from the *Manchester Examiner* of 26th July, 1854, and was submitted to a public meeting, convened specially, and before which the details were laid:—

120,122	Men.
71,111	Women.
23,585	Children.
<hr/>	
214,818	Total.

The committee, who carefully collected these facts, accompany their statement with a report which gives painful evidence of the degradation and immorality of that large portion of the population of this great city who thus spend their Sabbath day. I make a few extracts. Speaking of the several districts, they say—

“In fact this district can only be described as a very hell upon earth.”

“With the exception of the warehouse and shoe proportion, this district is as bad as the last.”

“A fearful state of demoralization exists about this house.”

“One little fellow, covered with rags and filth, got a pint of whiskey, and went into a filthy cellar, not fit for a pigsty, where several persons were drinking.”

Man-fighting, dog-fighting, gambling, and other similar wretched modes of spending idle time, characterise this entire population; so that the Rev. Canon Stowell, who moved the first resolution at the meeting, said—

“That dark and damnable traffic turned the day of God almost into a day of Satan, and made it questionable whether, for the mass of the people, it would not be better to have no Sunday at all.”

Gentlemen, I have, I hope, now given you some faint idea of the length, breadth, and depth of the evils I have endeavoured, as forcibly as I might, to bring under your notice, and the greater part of which I submitted to the select committee of the House of Commons.

They certainly present a dark and gloomy picture to the imagination; but it is not by shutting out the light that we can hope to free our country from the stigma which rests upon it because of our love of strong drink; owing to which the proper distribution and application of the wealth of the people is prevented, and great misery is necessarily the result.*

* Mr. Herepath, the distinguished chemist, says that out of nineteen specimens of ale he had examined, seven were adulterated with *coccus indicus*.

The Report of the Parliamentary Committee on public-houses states that the adulteration of beer and ale is enormous, probably one-fourth of the entire consumption; and that salt, vitriol, and *coccus indicus* are used for this purpose.

V.—*Proceedings of the Dublin Statistical Society.*

EIGHTH SESSION—FIRST MEETING.

[20th November, 1854.]

The Society met at the Royal Dublin Society House. On the arrival of his Excellency the Lord Lieutenant, the chair was taken by His Grace the Archbishop of Dublin, President of the Society.

The Secretaries read the minutes of the last meeting, and the Report of the Council for the past year. The president having then vacated the chair, it was taken by Jonathan Pim, Esq., Vice-President, who proceeded to deliver the opening address. Mr. Pim, at the conclusion of the address, vacated the chair, which was again taken by the Archbishop of Dublin.

Lieut.-Colonel Larcom proposed a vote of thanks to Mr. Pim for his able address. The motion was seconded by Dr. Lawson, and passed unanimously.

Mr. Commissioner Longfield proposed a vote of thanks to his Excellency the Lord Lieutenant, for honouring the meeting with his presence. The motion was seconded by Mr. Conway Dobbs, and carried with applause.

The following gentlemen were elected members of the Society:—Lord Talbot de Malahide; Charles W. C. Domville, Esq., D.L.; Cheyne Brady, Esq.; T. Jones Howell, Esq.; and William H. Jemison, Esq.

SECOND MEETING.

[December 18th, 1854.]

The Society met in the Royal Dublin Society House, Mr. Conway Dobbs in the chair. The minutes of the last meeting having been read, one of the secretaries read a paper by Dr. Hancock, entitled "The Fiscal Resources of the Empire, or what a perfect Income Tax of ten per cent. would produce."

Mr. Haughton read a paper containing "Statistics laid before the House of Commons on Public Houses."

The following gentlemen were elected members of the Society:—John R. Corballis, Esq., LL.D., Q.C; William Fry, Esq.; Joseph Boyce, Esq.; Thomas Wilson, Esq., D.L.; Alexander Boyle, Esq.; Edward Grogan, Esq., M.P.; Thomas Crosthwait, Esq.; George Roe, Esq.; William James Perry, Esq.; John Martin, Esq.; Henry H. Stewart, M.D.; George Hoyte, Esq.

JOURNAL

OF THE

Dublin

STATISTICAL SOCIETY.

APRIL, 1855.

I.—A Plan for extending the Jurisdiction for selling Incumbered Estates to cases where a Receiver has been appointed over a Life Estate.—
By W. Neilson Hancock, LL.D.

[Read 19th March, 1855.]

GENTLEMEN,

The chief benefit which the Incumbered Estates Act has conferred upon Ireland, has been the substitution of solvent for insolvent proprietors. To appreciate the full extent of this change, we must raise our views above the notion of considering the ownership of land as a mere right for the convenience of the person who happens to possess it. It is in truth a high office, carrying with it great power and influence, and forming the basis of a large part of our arrangements for local government.

This view of a landlord's position assists us in explaining the anarchy and disorganization of Ireland for the past half century. A large part of the governing classes were in a false position. Hence the want of confidence between different classes, hence the attacks on the character of the people, hence the delusive theories to account for the state of the country, and hence the opposition to all changes and improvements.

The operation of the Incumbered Estates Act has not been, as some expected it would be, to transfer the property in land to tenants, and to create a peasant proprietary. It has only introduced a new body of proprietors, more numerous indeed, and not possessed of the nominal position of their predecessors, but more solvent and more ready to discharge the duties incident to property.

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The view of the subject which I have been suggesting to your minds, is best illustrated by the cases where properties have been sold that were previously under Receivers of the Court of Chancery. In such cases, the duties incident to property were almost entirely ignored; the land was managed for what could be got out of it, and there was no one to take any part in the local institutions of the country. So seriously did this evil prevail in some districts, that during the famine, the benevolent members of Relief Committees and the public officers engaged in mitigating distress, found their efforts completely paralysed by the total want of any middle or higher classes in the localities to manage the relief operations. The other evils of having property under the management of receivers, are fully detailed in the evidence taken before the receivers' committee of the House of Commons in 1849; and I may quote some of the conclusions of that very influential body, composed as it was of some of the leading statesmen of the day, Sir Robert Peel, Sir James Graham, Sir John Romilly, Mr. Napier, Mr. Bright, &c. Thus they state, "the prominent evils of the present system of management under receivers, appointed at the instance of creditors, are so generally admitted, that the witnesses are unanimous in its condemnation."

Again they report,

"When a creditor originates legal proceedings, and transfers the estate of his debtor to the dominion of a Court of Equity, the relation of landlord and tenant is virtually severed; pecuniary claims, hostile litigation, evasions of liability, and confusion of right generally follow; and the effect thus produced cannot but be prejudicial to the condition of the estate, and the interests of all parties concerned in its prosperity.

"It would therefore appear generally desirable, that in any case in which an estate is brought under the court at the instance of a creditor, the proceedings should be accelerated with all reasonable despatch, and the estate withdrawn as speedily as may be consistent with substantial justice, from a jurisdiction which suspends the performance of some of the most useful duties of property, whilst its rights are prejudicially and expensively asserted.

"In conclusion, your committee wish to express their conviction, that the present management of property under the courts is attended with equal detriment to the agriculture of the country and the condition of the tenants."

Upon the admitted evils of the receivership system was based that provision of the Incumbered Estates Act, which gives jurisdiction to the court, when the estate is under a receiver, although the owner should object on the ground of the amount of the incumbrance affecting the fee not being equal to half the value of the estate.

All the arguments and reasoning founded on the evils of receivership apply with equal force to the case of a receiver over a property where the incumbrances affect only the life estate; and yet this class of cases is exempted from the operation of the act.

The reasons for this exemption are obvious enough. It was justly thought that it would be a serious injury to the parties entitled in remainder, and no benefit to the tenants or the public, to

sell the life estate to a stranger. Again, it was also considered too harsh a measure to convert the estate into money, and to give those in remainder not the family estate, with a position which they might be well qualified to fill, but a mere sum of money.

From some facts that have come under my observation, a plan has suggested itself to my mind, by which the difficulties on which this exemption is founded may be obviated.

The plan which I would venture to propose is as follows :—

Whenever a receiver is appointed over the estate of a tenant for life, the protectorship of the settlement should be transferred to the court having jurisdiction for the sale of incumbered estates.

The court should then proceed at once to value the life estate, and should call upon the tenant in tail, to declare whether he is willing to be made immediate owner in fee, upon the terms of having a charge put on the inheritance equal to the value of the the estate. If he should consent, the commissioners should convey the estate to him, with parliamentary title, subject to the charge, and subject to such arrangements for the benefit of other persons entitled under the family settlement, as they, acting as protectors of the settlement, should deem advisable.

If the tenant in tail refuse to enter on possession of the estate, then the commissioners should proceed to sell the estate, and should invest the purchase money; the interest to be applied to the payment of the debts of the tenant for life, and the fund to go to the remainder-man, at the time of his interest arising.

Upon the view that I have been suggesting of the ownership of land being a high office, involving duties and responsibilities, this would be only following the precedent of what happens in more important offices. In recent years, we have seen several cases of abdication amongst European monarchs, when they were unable to cope with the difficulties of their position; and the usual practice has been to call the next heir to the throne. Whilst the plan would thus secure the chief benefit of substituting a solvent for an insolvent proprietor, it would effect this object without doing any violence to feelings of family pride; it would not unnecessarily separate an estate from a title, or from any position of legitimate influence.

At the same time the benefits of parliamentary title would be conferred on the estate, the remainder-man would have a perfect leasing power and complete means of managing the property for the benefit of the community, the example of his predecessor's deposition would enforce the lessons of prudence, and thus would make him a useful member of society.

The creditors would get a sum of money paid to them at once, instead of suffering by the wasteful mismanagement and ruinous expenses of a prolonged receivership.

As to the mode of estimating the value of the life estate, it would only be necessary to calculate the net proceeds of the estate, after deducting the costs of chancery management, and then to value this sum as a life annuity. If the health of the tenant for life should be precarious, so that the remainder-man would think the usual price of the life annuity to be too high, he should have the

option of contracting to pay the annual charge instead of the present value. In this way, the creditors would obtain all that they would be entitled to get, and yet the remainder-man would not have to pay more than the fair value of what he would acquire by being called to the inheritance.

II.—*On the present state of the Savings' Bank question.*—By Neilson Hancock, LL.D.

[Read 19th February, 1855.]

GENTLEMEN,

About three years since, I had the honor of reading before this society a paper on the duties of the public with respect to charitable savings' banks.* Since that time there have been promises of legislation, but nothing has been actually done to remove the general insecurity of the depositors to which I then directed attention. On the contrary, the recent statements of Mr. Gladstone, while Chancellor of the Exchequer, have disclosed some facts which will, I think, be as new to you as they were to me, and which place that insecurity in a still stronger point of view.

In order to explain the effects of the statements which I am about to notice, it will be necessary to refer briefly to the constitution of charitable savings' banks, as regulated by the act of 1829 and its amendments.

A savings' bank is formed by a few gentlemen associating together, under the name of managers or trustees, and adopting some very simple rules, which at once receive official sanction.

The managers then are authorized to appoint the clerks. They can receive deposits, and they have some very important privileges of re-paying deposits to minors, married women, and the next of kin of deceased depositors, without any risk of having the money reclaimed by guardians, husbands, or by relatives with conflicting claims. The whole of the receipt and re-payment of the deposits is under the control of the managers and their clerks.

With respect to the lending of the deposits, the managers have no power. They are bound to transmit them to the commissioners for the reduction of the national debt—a board composed of high officers of state—the Speaker of the House of Commons, the Chancellor of the Exchequer, the Master of the Rolls, the Chief Baron of the Exchequer, the Accountant-General of the Court of Chancery, the Governor and the Deputy-Governor of the Bank of England.

The commissioners have the management of the deposits; and it is with respect to this management that Mr. Gladstone has made the important disclosures which I shall notice.

The commissioners have a certain amount of control over the managers; they can require an annual account from them, issue

* Transactions of the Dublin Statistical Society, vol. 3.

orders to them, and stop any bank that does not obey orders and furnish accounts.

The commissioners are not, however, in any way responsible for the acts of the managers or the clerks; and they, or more properly speaking the public, whose servants they are, are considered liable for those sums only which are actually transmitted to them by the managers. The notion, therefore, that the depositors have government security for money lodged in a savings' bank, though taught in many treatises great and small, is a delusion.

The depositors have not even the security which exists in the case of joint stock banks or private banks. In such institutions, the managers and shareholders are liable for the acts of their clerks to the extent of the entire of their property; but in savings' banks, as now constituted, the managers are not liable except for their own acts; or in Ireland, in case they are guilty of wilful neglect or default; and they may limit their liability from the latter cause to £100. In England, they are not liable unless they pocket the money themselves.

To illustrate this defect of liability, I may refer to the Dublin savings' banks in Abbey-street and Meath-street. The deposits are £280,000, and the entire security that the depositors have, even in case of wilful neglect and default of the managers, does not necessarily exceed £5,000.

From the constitution of savings' banks as thus explained, I inferred in my former paper that there was such an amount of divided responsibility, and such an absence of security, as to be fatal to the success of these institutions.

The duties of the public which I ventured to point out were, *first*, that those who propose either by direct advice, or by the implied advice arising from their being managers or trustees, to induce poor people to entrust their money to these institutions, should in the first instance try and understand what security they advise the people to trust to: try and understand how deeply responsible they are, if they give false information as to the nature of that security, or if they give foolish advice as to the extent to which the poor should trust to the limited security that really exists.

The *second* duty is equally plain, for every trustee and manager to do his best to have the bank he is connected with wound up, and the depositors paid off. If he cannot within a reasonable time persuade his co-trustees or co-managers to wind up the bank, then he ought to resign. Such was the conduct of one manager of the Cuffe-street bank in 1833. "I resigned," said he, "for I made up my mind never to have anything to say to savings' banks as long as I lived; I saw the defects of the law too plainly to have anything more to say to them."

In my former paper, I did not refer to the management of the deposits by the commissioners for the reduction of the national debt. In my innocence, I assumed that their management was prudent and faithful.

As to the prudence of the management, the Chancellor of the Exchequer now explains that the practice of the commissioners was to invest the deposits by purchasing in the public funds, and to

effect the re-payments by sales of stock. These transactions were attended with some expense. They were, however, also attended with considerable loss; for, as the savings increased in times of prosperity, the principal purchases were made when the funds were high; and as the deposits were withdrawn in times of political excitement or public distress, the sales were made when the funds were low. To buy dear and to sell cheap must be a losing trade, and the slight difference between the interest received and allowed by the commissioners was not sufficient to cover this loss. Mr. Gladstone has proposed a very clever and ingenious plan for avoiding this loss for the future, which I will not attempt to explain, as you may read it some of those days in his own lucid and eloquent language.*

It may be observed, however, that it is somewhat remarkable that such an obvious source of loss should continue for nearly forty years without a remedy, under the management of such officers as the commissioners for the reduction of national debt.

Although there may be some excuse for the management of the commissioners being imprudent, what shall we say if it should turn out not to have been faithful?

As the balances of the savings' banks were not under any public scrutiny, a lax principle seems early to have been introduced, of considering them under the orders of the Chancellor of the Exchequer; and, accordingly, successive chancellors, when in a difficulty, have resorted to the savings' bank balances in the hands of the commissioners, for the purpose of making up temporary deficiencies; in other words, for the purpose of making the quarterly and annual statements of the public accounts present a fictitious appearance of prosperity.

Mr. Gladstone, to his credit, has manfully determined to put a stop to this system, and to guard against any future Chancellor of the Exchequer having the power to use the savings' bank deposits.

The two evils had, however, cost the country a considerable sum before the remedy was proposed; for Mr. Gladstone states that the deficiency in the funds, standing to the credit of the commissioners for the reduction of national debt from loss on sales, and from the application of balances, is now £4,000,000.

The greater part of this deficiency has arisen since 1842, for it was then only £1,800,000.

Before noticing the general conclusion to be deduced from these facts, I will briefly call your attention to the some parts of the story of the Cuffe-street Bank which it enables us to understand.

When the defalcations of Mr. Dunne, the Cuffe-street clerk, were discovered in 1831, the managers at once applied to the commissioners for advice. They suggested that a special commissioner should be appointed to enquire into the management of the bank, and either re-model or close the bank. They naturally thought that the commissioners were great public officers, having no loss on sales to fear, no deficiency to conceal. The commissioners, however, refused to give any advice. They shifted all responsibility

* The paper was read before Mr. Gladstone's resignation of the Chancellorship of the Exchequer.

from themselves, and ostensibly treated the matter as a dispute between the depositors and managers, to be settled by Mr. Tidd Pratt, an English barrister, who then was and still is the referee for savings' banks.

Mr. Pratt, after deciding on the claims of the depositors, advised the managers to pay out of future profits £4,274, which he decided was not a legal charge on the funds of the institution. He gave this advice, although it was stated to him that the bank was insolvent, and although no account had been furnished to the commissioners for two years.

In giving this advice, Mr. Pratt must have been in the confidence of the commissioners; for when the managers asked him whether the commissioners would receive the accounts showing a deficiency, he said they would; and accordingly they did receive the annual accounts, showing a large deficiency every year from 1831 until the exposure of the bank in 1848.

Now, it so happens, that the commissioners had a strong motive for concealing the insolvency of the bank in 1831. Had its failure produced a general run on savings' banks in that year, the loss on sales would have been very large; for the political excitement which prevailed after the French revolution, and pending the Reform Bill agitation, had, in 1831, reduced the funds below the average of preceding years.

When the run took place on the Cuffe-street Bank, in 1845, the managers again applied to the commissioners, and to the then Chancellor of the Exchequer (Mr. Goulburn), stating that they were insolvent, and had long been so, with the knowledge of the government, and applying for leave to draw £50,000 in one week. The leave was granted.

Now, here again the commissioners had a motive in not having the bank wound up. Ireland was at that time in a state of political agitation; the failure or closing of one bank would have produced a run; a run would have involved a heavy loss on the sales of stock, and might have forced an explanation as to the application of balances.

The facts now disclosed seem to me to entitle the depositors in the Cuffe-street Bank to a re-consideration of their case. As the bank was allowed, from motives of public policy, to continue for seventeen years in an insolvent state, the ultimate loss ought not to fall on the depositors, who invested after the commissioners and the government had notice that the bank was becoming more insolvent every year.

The shabby vote of the House of Commons, in 1851, of ten shillings in the pound, ought now to be set right by a full re-payment of the remaining £30,000.

The inhabitants of Dublin of the wealthier class are peculiarly interested in having the loss of the Cuffe-street depositors set right. There can be no doubt that the character of the trustees, men of high standing in Dublin, helped to maintain the stability of the bank, after doubts had been thrown upon its solvency.

It is vain to complain of the poor not having confidence in the rich, if wealthy trustees allow the poor to suffer from the conse-

quence of the defects of an institution which they supported and recommended.

The facts which I have noticed only confirm the views put forward in my former paper. The divided responsibility of management between the government and the trustees, and the limitation of liability of the managers are both fatal to the security of the depositors; so that there is not in charitable savings' banks, as now constituted, that reasonable amount of security that any honest man can advise his poor neighbour to trust to them.

The object of providing a perfectly safe place for the deposits of the poor, is a matter of such importance in our present state of civilization, as to demand our best exertions to have the requisite means adopted for securing it. For this purpose, there are two two measures which seem to be indispensable.

The first is, to extend to all joint-stock banks the facilities for repaying deposits to minors, married women, and the representatives of deceased depositors, now conferred on the savings' banks. The importance of this change is shown by the number of persons in some of the classes to which I have referred, who are depositors in savings' banks. Thus it was ascertained at Manchester, in 1842, that one-fourth of the depositors are minors; and one-fourth, women-servants, milliners, dressmakers, and needlewomen.

The next measure is to extend the plan of the Chancellor of the Exchequer to a considerable portion of the public debt, and to have it so arranged as to be a convenient investment for the poor. There is no reason why the whole business of registering the public debt should be monopolized by the Banks of England and Ireland, and transacted in London and Dublin only.

The example of the subscriptions to the recent loan raised by the Emperor of the French, shows how ready the poorer classes are to invest in government security; and the money order office in our Post-office shows that a large part of the business of banking for the poor can be cheaply and efficiently conducted by the officers of a public department.

The first step towards the adoption of such measures is to produce a conviction in the public mind, of the utter instability of savings' banks as now constituted, and that conviction I have endeavoured to create.

III.—*Russian Serfs and British Laborers.*—By Henry Wynne, Esq.

[Read 19th March, 1855.]

At the present period any inquiry into the social resources of that vast country which is carrying on a stupendous struggle with the bulk of the civilized nations of Europe, must possess peculiar interest, and a comparison of the state of its peasantry with that of our own country may be suggestive of many hints of practical importance. And if this be, as I believe it to be, one of the most valuable uses of the study of history, or the investigation of the

circumstances of other countries at distant periods of time, the same principle may be expected to hold good when applied to a country co-existent in time, but distant in position, and equally differing in social institutions. Indeed, an inquiry into the political institutions of Russia has peculiarly this character of an historical research, as, though not absolutely stationary, she is a laggard in the race of civilization; and the condition of her peasantry is to a great extent similar to that which once had existence in most of the continental states of Europe, and from which we have risen by the gradual advance of civilization and progress to our present improved state; as, with all its faults and all its hardships, the condition of the free laborer must be admitted to be when compared with that of the serf. The latter is, as I shall shew, deprived of the exercise of the highest, and what ought to be the most inalienable privilege of our nature, the free exercise, direction, and consequent improvement of whatever faculties each individual may have been blessed with.

All men are not equal, and never will be equal, but it is one of the most essential prerogatives of humanity to possess a capability of improvement. To better his own condition, or the principle of self-love, is one of man's strongest instincts; and to be allowed free scope in the application of his energies for that end should not only be his privilege, but is proved by reason and experience to be one of the most powerful agents in advancing the civilization and progress of that aggregate of human beings which forms the society of each country.

The relative position of the higher and inferior classes of society in Russia is not very different from what it was in Europe formerly, and is that which will naturally obtain wherever *right* has not been recognized as at least a co-ordinate element in government with *might*. One class owns the land, and possesses besides a right over the labor of the class below them.

There are two forms which this command over the labor of others assumes wherever existing in the world. The one is what we call *slavery*, a word unknown in our constitutional vocabulary, but with the horrors of which we have been made but too well acquainted, as it prevails among our transatlantic brethren. The other is the qualified and milder form of serfdom.

Though now to be found only among the nations of Slavonic race in Europe, it is not of peculiarly or exclusively Slavonic origin. Up to the period of the French revolution, there remained traces of prædial servitude in France; and though it sooner disappeared among us, our earlier histories, in classifying the ranks of the nation, make mention of two grades of serfs, the one mere personal chattels of their masters, while the other were said to be "*adscripti glebæ*," and could only change masters with the soil to which they and their labor were attached. We find formal acts of manumission in the reign of Henry VIII., and serfdom did not fall into disuse till the reigns of Elizabeth and James I.*

In the second class above mentioned, the serfs of Russia are to be numbered. Every proprietor of land estimates his possessions not

* Barrington's Observations on Ancient Statutes, 273 et seq.

according to the number of acres, but according to the number of *souls* on his estate. Each of these (which only include the males) is bound to labour three days in the week for the benefit of his master. By law, the serf cannot be sold without the land to which he is attached ; but this provision is often evaded. The master can exercise corporal discipline over his serfs, but he cannot, as in the slave states of America, sunder nature's holiest ties by separating families. A serf sold apart from the land becomes a crown peasant, and his master loses dominion over him. The serf cannot own immoveable property. In absolute principle, indeed, the whole property of the serf, moveable or otherwise, belongs to the master. In practice, however, no master in this manner robs his serf. Public opinion, that great law of nations, even in Russia will not allow of this ; and above public opinion is suspended the fear of assassination. The master can hire out the services of his serf. And while the serf cannot live in any town without the consent of his master, he can, even when furnished with a passport, be at any time recalled, and must give notice of his whereabouts to his master. And whatever trade he may be able to carry on, he must pay to his master an arbitrary rent, called in Russian "*obrok*," proportioned to his earnings.

I have stated enough to shew how burdensome and galling are the restrictions imposed on the wretched lower order in Russia.

The rights they have are partly imposed by law, and have partly crept in with custom. Thus, by custom one-half of the land is allotted to the laborer in return for the labor of three days in the week. However, even with this amount of land and labor for their own uses they are not a thriving or hard-working set. Badly furnished as the country is with roads and means of transit, they sometimes cannot sell the surplus produce of their land at any price, and therefore have no motive to increase the produce beyond what will supply themselves, their families, and cattle with food ; while the state of ignorance in which they are kept prevents them from having that foresight which would compensate, by the reserve of good harvests, for the dearths which bad harvests bring upon them. A picture is drawn by a very intelligent traveller in Russia, himself connected by family ties with the country, of the populace whom he saw, under favorable circumstances, at a village *fete*:—"These people," he says, "were not oppressed. They were under a kind and considerate master, and wanted for none of the necessities of life. They, therefore, as individuals, were not to be pitied, and, knowing no better, were probably contented with their lot. But the chain of slavery was on their minds, as of the Russian peasantry at large. They know they can do nothing to change or improve their condition, and therefore have no stimulus to energy—no habit of thinking and acting for themselves, and are, in fact, mere grown-up children, and as such they are treated by law and custom."* The masters, indeed, are bound to support their house slaves, but the effect of this regulation has none of the beneficial results of the

* Rev. R. Venables.

system under which the relation of master and servant is governed by the laws of mutual contract, which may be determined by either of the parties. Under this system, so long as they can succeed in escaping punishment, their object naturally is to work as little instead of as much as possible. They know they cannot get a better situation by the exertion of greater industry and obtaining a high character for efficiency; while, however dirty or lazy, the master cannot get rid of them. The benefit of their additional exertions would be gain to the masters alone; and as every one is urged to overcome the disagreeability of work (which is in itself an evil), with a view to his own advancement, it would be contrary to natural principle to find them more industrious than is necessary to avoid the opposite sanction of the law of labour—punishment.

The burdensome nature of the Russian restrictive rules, even in the class above the serfs,—that to which it might be hoped their industry might raise them by enabling them to buy their freedom—is illustrated by the envied position of the foreign residents, who, as Mr. Kohl states in his account of Russia, possess all the privileges of the subject without sharing his burdens. “Without paying taxes, without furnishing recruits, not subject to any guild or corporation, they may work and trade freely from city to city throughout the whole empire. The Russian Government naturally seeks to incorporate the ‘*inostranzi*’ with the subjects of the empire. Now and then there appears an edict that all foreigners who have been settled a certain period in any part of the empire shall, without ceremony, swear allegiance to the Russian flag; which puts them all in a fright. As a merchant or artizan who has not obtained any particular rank (*tschin*) by service to the state, could not register himself in any class but that of merchant or citizen, and as such would be liable to military service, the discipline of the stick, and other pleasures of the same kind, every device is tried of course to avoid the sentence. Some leave the empire for a while, and come back with new passports as newly arrived foreigners; others contrive to procure them without leaving the country, or slip through in some other way, and so manage to transmit their privileges to their children, who are also registered as foreigners.”

The great evil of any forcible interference with natural liberty (beyond, of course, what may be necessary for government) is shewn by the fact, that the arbitrary regulations made from time to time, by way of palliating the great original wrong, are often productive of mischief in other directions, and in other ways quite unlooked for. The description given by Mr. Kohl of the condition of the Esthonians and Lettes of the Baltic provinces well illustrates this proposition. After many fruitless attempts at insurrection, the Lettish serfs were partially emancipated by the Emperor Alexander I. Mr. Kohl thus sums up his sketch of them :—

“The condition of the peasant of the Baltic provinces is now about as follows. He is no longer bound to the soil, but may, after half a-year’s notice to his lord, quit the estate. In the same way the lord may, after half a-year’s notice, force the peasant to leave the place of his birth. This alteration can be but a small benefit to the serf. His situation must become quite intolerable before he

resolves on leaving the spot on which he was born, and where he has passed all the days of his life—the home of his fathers, his relatives, and his friends, to take advantage of a right of self exile. Besides, the noble has always a hundred ways by which, if he wish it, he can detain the peasant. Difficult as it is for him to gain subsistence, he is continually needing little helps and loans from his landlord, of which payment can at any time be demanded in a way to make departure impossible. Though the right which the peasant has thus obtained is so frequently useless to him, the counter right of his master of banishing him from his native place is very often turned against him. Formerly, a noble could not get rid of his serfs; and whenever they were in want, he was bound to support and maintain them. At present, the moment a serf becomes useless or troublesome, it is easy to dismiss him; on account of which the serfs in some parts of the provinces would not accept of the emancipation offered them, and bitterly lamented the freedom, as it was called, which was forced upon them. The Lette often mournfully complains that he has lost a father and kept a master; and the lord often refuses the little requests of his peasants, saying, ‘You know you are not my children now.’ No lasting good effect can be expected from the emancipation law, till the further step shall have been taken of granting the peasant the right of acquiring property in land. Only then will he manifest a wish for improvement; only then will he struggle to raise himself from his present abasement.”

Yes! because it is a slavery and a badge of slavery not to be allowed to possess the fruits of accumulation, and abstinence, and labor, in any form in which these fruits may be realised. Because, only when this restriction shall have been removed will he be really free. Because, only then will the *increased* productive powers of the lands of the smaller holders afford a field for the labor which, under the circumstances, is superfluous on the estate from which the serf has been dismissed.

All over Russia, as we learn from other sources, the master must support his serf; and if the serf becomes a beggar, the master may be fined. Here again we may trace how imperfectly arbitrary regulations can afford relief. In the case of the agricultural peasantry, indeed, this responsibility, as well as the gradually improved tone of public opinion, has led to the custom of making a competent allotment to the serf. But in the case of the house serfs or domestic servants, it leads to galling restrictions, especially restrictions on marriage; as the increase of this class of unproductive laborers beyond a certain amount, instead of being beneficial may be the ruin of the master. Indeed, in many cases the serfs are felt to be such a burden; but their emancipation is as yet delayed from several causes. In some instances, from the pride of the lords—who have been known to refuse permission to purchase their freedom to serfs, who by commerce had attained to wealth immeasurably beyond their lords. In some, from the ignorance and carelessness of the peasants; and in some, from a deep-rooted feeling on the part of these latter, that there is a connection which must always subsist between them and the soil; that as they have so long belonged to the soil, the soil shall yet belong to them; and that they will

rather hide their time for such result than accept any partial ownership, and acquire personal freedom accompanied with certain payments in the nature of a rent.

The legislators have always been the higher class; here they are owners of the soil and of the serfs, and they have, of course, been influenced by a view to their own supposed interest. Even so early as the reign of Tsar Boris, in the sixteenth century, they resisted any measures of liberation to the serfs, and continually have they strenuously resisted relaxing the local ties which bound them to the soil; fearing that if allowed to change their place, they would naturally flow from poorer lands to those which gave a more abundant produce, and consequently could afford a better remuneration to its cultivators. They put forward the specious plea, that a great deal of the land of the country would be thrown out of cultivation. No doubt many estates would have been so, and their proprietors would have certainly been ruined, and were right for *their own* sakes to guard against such a possibility, but not for the sake of the *country*. It cannot be determined that the entire production of the land and labor of the country would have been less than it was. Nay, it is certain that removing the shackles from industry would have made it greater. All that can with certainty be inferred is, that there were estates yielding a return in the nature of rent prematurely, or sooner than in the natural progress of events they would have begun to do so, in consequence of the previous full cultivation of the best lands.

The diminution in the value of their property, which was anticipated by the Russian nobles, is analogous to the fall which *has* taken place with us in the rentals of the proprietors of those poor lands which were forced into cultivation by the extravagant height of war prices, —(I mean those of the late war, when the rise was uncompensated by the self-adjusting scale of a free trade)—and which were thrown out of cultivation by the lowering of those prices, consequent on peace and the removal of commercial restrictions—naturally thrown out, as they were the portions on which produce was raised at the greatest expense.

In all points in which they can be brought into comparison, we do not find in the case of the serf the same amount of fearful oppression as in the case of American slavery. When by partial emancipation the lord is relieved from the burden of maintaining his serfs, he of course seeks to reduce their number to what will be sufficient to work his estate with profit. He cannot, however, like the farmer reducing his stock of working cattle, which is the course pursued by the American slave owner, sell the serf and enrich himself with his value. He can, indeed, as we have seen when speaking of the Baltic provinces, make him, after a notice to quit, leave his native place, that he may not be burdened with his support. This conduct is dictated by his self-interest, and is not very different from or more oppressive, perhaps, than the extradition which takes place under the working of our own law of settlement. The Russian knows when the maintenance of the serf is likely to become burdensome instead of profitable, and till then will not dismiss him; till then, he is directly interested in his labor.

As soon as it became the governing principle of legislation with us, that every one should have a right to be, at least, kept alive, it became necessary to impose the liability somewhere. And as there was no *proprietor* who derived obvious benefit from each individual's labor, and the area of the whole kingdom was considered too extensive to be usefully applied, a local liability has been adopted in this kingdom as the basis of the poor law. Many other considerations have had influence in determining and defining this local liability besides the assumption that, as the country at large benefited from the increase of productive labor in general, so on a smaller scale would each locality. But the gain being very indirect, and its exact amount not very easily, or perhaps possibly appreciable, while the loss or contingent burden was visible, obvious, and palpable, the governing bodies of different localities have ever shewn the greatest jealousy in admitting, and great harshness in removing laborers. Much grievous injustice and oppression have been exercised—not least with regard to the inhabitants of this country; and I dare say many of my hearers have been among those whose hearts have throbbed indignantly at the record of some case of peculiar hardship such as are brought before us occasionally by the public papers.

Guardians act on the same principle of self interest—shunning responsibility—which prompts the lord of the Baltic peasant. But in this latter case it is the lord only who knows his interest, and acts accordingly. The serf is degraded far below the meanest of our free laborers by the utter ignorance in which he has been kept, and which seems ever to attend every state but that of freedom. The enslaved soul cannot worthily improve, or become what alone deserves to be called educated. Now, in this country, however backward we may still be, we have been and are every day making greater efforts for the education of the inferior classes—for their moral, and, consequently their physical advancement and well-being.

On the contrary, no provision is made for the education of the serf. Nay, he is not allowed admission into any of the public schools until he has been emancipated.

It is the absence of such aids, and his entire want of education, which to a great extent cause the present backwardness of the Russian; for the peasants naturally are endowed with no mean share of ability. They are very versatile and full of resource, and, as is but too usual among the uncultivated, this quality is shewn in the lower development of cunning. They systematically and successfully over-reach those with whom they deal, and are, I believe, among the most expert pickpockets in the world. I have met with an anecdote of a gentleman who, being aware of this propensity beforehand, resolved to keep his hands in his pockets while he stood on the deck of a steamer preparatory to starting, and only took them out for the momentary purpose of taking leave of his friends; but, on returning them to his pockets, he found the latter empty.

However, it is not only in these evil forms that the talent of the Russians shews itself. They have displayed great aptitude in learning the various manufactures, which some of the nobles have

set up on their estates with the surplus labor of their serfs. In these, they produce manufactured articles of very considerable merit, and of very showy outward appearance, though not equal to those of more advanced countries in minute finish and excellence of detail. The reason of this, however, is not the incompetence of the workmen, but the vice of the system under which they work, and under which they do not obtain the increased skill arising from minute subdivision of labor; while they are secured from foreign competition by high duties on foreign goods. Indeed, Russia at present affords an exact illustration of the case which the French school, called *par excellence* the Economists, suggests of a landed nation by high duties establishing manufactures *prematurely*, so to speak. They have started up not in the natural order of things, from the spontaneous division of labor; and though the nobles who have established them have been driven to it in many cases in self-defence, it by no means can be inferred that no more labor and capital could be applied with profit to the cultivation of the soil of the country, if a system of free and independent labor had prevailed.

Indeed the reverse is clearly the fact. Slave labor is generally admitted by economists to be more expensive and less productive than free labor. It was the conviction of this truth which, according to Mr. Hallam, caused slavery to disappear in the middle ages earliest from the Italian states, then the most enlightened and cultivated of Europe. The Italian Church, I am aware, lays claim to a great share of this merit—with what truth, or how far it does not concern us now to inquire, for no steps have been taken by the Greek Church in a similar direction.

In manufactures, Adam Smith notices that all improvements have been made by freemen who had an object of their own to gain, in diminishing the amount and increasing the productiveness of their labor, (and in agriculture the same principle will hold good); and that the manufactures of those countries in which they were carried on by the slaves of the rich, for the benefit of their masters, have never attained a very high place in the market of the world.

It is very clear that the productive powers of the land in Russia have never been properly called into play. The system of husbandry is the thriftless one of constantly recurring fallows. Under this system, forage never can thrive, and cattle cannot attain the quantity and quality desirable. Can we wonder, however, that, to use the words of a Russian writer, "a simple routine presides over all the operations of agriculture. People sow, cut, and harvest not at suitable seasons, but at such times as their fathers were accustomed to do, reckoning from certain holidays which are more or less moveable according to the ancient calendar in force in this country."

Many, very many incidental branches of inquiry seem to arise on every side as we proceed. One point to which I would wish to direct your attention, is the different way in which the results of war may affect the labouring classes of the two countries, and this will involve some consideration of the Russian taxation and military system.

War, and the interruption of the natural relations of commerce consequent thereon, are admitted by all to be great evils. But their incidence may differ according to the different habits of the nations. It occurs to me that the indirect results of war would fall more immediately on the laboring classes in this country.

Though Russia is not our greatest market, still it is, especially since we have become a corn-importing country, a very considerable one, and the deprivation of this market would necessarily have some effect on our commerce. But as it is with our manufactures we purchase the raw produce we import, an immediate loss would be inflicted on the operations in those branches of trade which, to the extent of the excluded market, would become less productive, and the wages of their labor reduced, or some of the workmen thrown out of employment. As the quantity of food at the same time imported into the country will be diminished by the amount of materials supplied by the food-exporting country, the means of supporting life will become dearer, and the poor man will find his hardship, instead of being compensated, arise from both causes simultaneously. With us the self-adjusting powers of a liberal commercial policy may counteract these evils, and prevent them from being so severely felt. I am speaking of what is the natural tendency in the two classes of countries.

In the country which exports the food of the laborer, a check to commerce will prevent the importation of those manufactured articles with which it was paid for. But as these are not largely used by the lower order of peasants, it is not on them that the deprivation thence resulting will immediately fall. The peasant can generally be supplied with all that he requires from the homely manufactures which every country furnishes. The stock of food for his consumption is not diminished but increased, and the inability of disposing of the portion usually exported will make abundance of food procurable at the lowest price. The higher classes will suffer both in being deprived of their usual conveniences and luxuries, and from their inability to dispose of their surplus produce, the source of their ordinary revenue.

But though the results of war and the check to trade thence following do not fall thus immediately on the fund for the laborer's subsistence, there are two ways in which it comes round to press severely on him in greater proportion than with us. I mean, the items of increased taxation and military service.

Under our system, while an increased revenue must be drawn, we endeavour to make it be borne as nearly as we can by the different classes in proportion to their ability; and the removal of indirect taxation from articles of the first necessity tends to prevent the price of what the lower classes consume being enhanced further than by the operation of the natural causes I have already alluded to.

In Russia, on the other hand, a system of direct taxation on income is unknown. The nobles are entirely exempt from taxation, and the revenue is raised by a system of very high customs and excise duties, and by a capitation tax on all the male serfs. I give an extract from a letter of M. Sabauroff, a Russian gentleman, to shew how severely this presses:—

"The tax with us which presses on agriculture is purely personal; it is levied on every male once in three months, and paid into the chest of the government of the province. There is also another local tax for the district; but these taxes are so essentially personal and levied on the individual, and not on the property, that there are immense landed estates, belonging sometimes to nobles, but more frequently to traders and others not privileged to possess serfs, which absolutely pay no tax at all. This is a defect, for the burden of course falls on the shoulders of the poor, not on the rich.

"I have told you that these taxes, though nominally small, are burdensome, and I will shew you why. A peasant's family on an average consists, we will suppose, of a father in the prime of life, three children, and an infirm old man. These compose the males, and we may reckon three of the other sex. Of all the family, the father alone is an able-bodied laborer, and the rest can do little or nothing towards gaining a livelihood. The labor of the father, therefore, must support eight persons, and pay the tax for five, —four roubles a head per annum for the crown and two for the district; six roubles per head, or thirty roubles in all.

"But the tax must be paid in bank assignats, while produce of every kind is sold for money, the latter currency being here [why is not stated] worth eighteen per cent. less than the former. We must therefore add five roubles for this difference, and the result is that the tax amounts to thirty-five roubles in the year practically falling on one individual; and to raise this, he must sell the produce of two of his four acres of arable land, and with the remainder support his family. Half the year, then, must be occupied in working for his master, and half the remainder must be employed in raising the means of paying his taxes. The peasant, therefore, has, on the whole, but three months in the year to labor for his family. The dues paid by the crown peasant are three times as great, but he has all his time and all the land to himself, instead of dividing both with a master."

In the case of war, if—in addition to the effects I have already mentioned as arising from the interruption of commerce with this country, and, on account of our naval power, with far more than this country alone—it be attempted to raise a revenue by any considerable increase of customs duties, that course may entirely fail, as not only will consumption be checked to the degree that always naturally follows an increase of taxation, and therefore of price; but the purchasing power of the higher or purchasing classes will have already been diminished, from the source of their revenue being dried up, and any increase in the other branch of taxation will fall with unmitigated severity on the poor cultivators of the soil.

With respect to military service, there is more in the nature of compensation for the miseries otherwise induced by war with us than among the Russians.

In our system of voluntary enlistment, there is some source of employment open to the unemployed artisan when thrown out of work; and since we seek to draw men to our service when the exigency requires it, by holding out greater inducements in the

shape of increased bounties, larger pay, or improved condition of our soldiers, a source of livelihood is opened, which to many individuals may be as good, if not even better than their former occupation, as it is chiefly the lower grades in every branch who will be thrown out of employment. It will not, certainly, be as beneficial to the country at large as if they had all continued productively engaged.

In Russia, on the contrary, the ranks of the soldiery are filled by a compulsory conscription. At certain periods, each district is obliged to furnish a certain quota of recruits. The serf at the expiration of his period of military service continues a free man, and does not return under the dominion of his master. But so great are the hardships the soldier is subjected to, so severe is his discipline, and so grinding are the tyranny and peculation practised upon him, that enlistment is regarded with the most vivid feelings of repugnance. Every device is resorted to in order to escape it. The peasants run away, and hide in deserts and caves, and they feign disorders, in spite of the severest penalties, and even have recourse to severe mutilations to render themselves unfit for military service. It is held out as a threat of punishment over the serf, and to make a soldier of a refractory serf is one of the severest and most dreaded sentences.

The subject we have been considering is so extensive, as well as interesting, that I am conscious of having been able to treat it most imperfectly. It is a suggestive one, however, and many an application which time precludes me from making will be made by my hearers.

Two great lessons, however, will force themselves on every mind from the comparative view we have been taking. One is, that we should cherish as well as prize ourselves on that personal and commercial liberty with which we are blessed above most other nations, and endeavour to extend it, as well by guarding against its degenerating into license as by other means. The other is that we should not only not relax, but strenuously augment, our efforts to enlarge and improve the education of the people.

Even with regard to the production of material wealth, Mr. Senior ranks the qualities of the laborer as the first of the causes which affect the productiveness of labor. Education expands and develops these faculties. This will not only necessitate but render safe and possible a continual increase of liberty, and will enable us not only to maintain our present high position, but to advance with rapid and glorious steps in the onward march of moral and material progress.

IV.—*The Utility of Standing Armies as a means of defence in an advanced stage of civilization.*—By William H. Jemison, A. B.

[Read February 19th, 1855.]

GENTLEMEN,

That there is no necessary connection between what are called "Peace Principles," and Political Economy, has been pointed out to us this session by Dr. Hancock.* I have thought, however, that the particular notice of the subject of Standing Armies might be opportune. The present unhappy state of our foreign relations, and the erroneous views put forward by some who profess a regard for economic principles, have led me to attempt this notice.

Mr. Cobden has spoken of "standing armies as the standing curse of the present generation."† The curse, however, consists not in them, but in that which renders them necessary. In this respect, there is an analogy between the military and the medical profession. Were it not for the pains and weaknesses of the body, we should not need the aid of the one. Were it not for the violence and evil passions of mankind, we should not require the protection of the other.

As nations have become more intelligent, they have recognised the advantage of making a separation of employments, and have acted on the principle in the matter of national defence. A standing army is a body of men who have military affairs assigned them for their sole occupation, and are for this purpose maintained in times both of peace and war, by the rest of the community. We shall consider such a means of defence in relation to its convenience, its expense, and its efficiency. We shall afterwards see what connection it has with the circumstances of a commercial and cultivated people.

The *convenience* of standing armies in relation to the internal organization of society is obvious. It is a matter of the utmost importance that the community being provided with an efficient and readily available force for external defence, should not disturb the regular routine of civil and commercial employments. The two modes of life, too—the civil and the military—differ so widely in their nature, and in the tastes and acquirements which those who follow them must possess, that we cannot contemplate their union, without also contemplating, as its natural result, a degree of failure in each. The consideration of its unfavorable effects on trade and industry seems, however, to be frequently swallowed up in that of the inferiority that would ensue in military service. Yet the consequences of occasional emigration and immigration on the ranks of commerce, and on the interests of industrial pursuits, and the pouring in on civil life of notions

* Journal, page 38, part 1.

† House of Commons, June 17th, 1851.

and habits that a short campaign would be sufficient for the mass of the military body to contract, could not fail of being productive of derangements and inconveniencies. It is only in proportion as the business of military operations is made the sole business of those who undertake them, that the machinery of the industrial and commercial world can go on without interruption, at the same time that it has its rights effectively protected against the assaults of other communities.

The *expense* of standing armies can be measured in three different ways—either in labour, in time, or in money.

In a state of society where all or nearly all the inhabitants of military age go out against the foe, the defence of the nation is obtained at great cost, for it is at the expense of most of the available labour of the society. To exemplify such costly protection now-a-days, requires us to adduce an extreme case. "Travelers tell us," says Archbishop Whately, "that when a husbandman [in some eastern countries] goes to sow his fields, he takes with him a companion with a sword or a spear, to protect him from being robbed of his seed-corn. This must make the cultivation of the ground very costly; because the work which might be done by one man requires two; one to labour, and the other to fight. And both must have a share of the crop, which would otherwise belong to one."* On precisely the same principle, national defence is more or less costly in proportion as it absorbs a larger or smaller quantity of the labour of the society. Now, the assigning to particular persons a particular class of duties is the surest way of economising human *labor*. It therefore follows that standing armies, in which this principle is farthest carried out, must be in this respect the cheapest means of defence. On looking to this nation, for example, we accordingly find the saving of labor in this particular to be very extensive. The entire population of Great Britain and Ireland is about twenty-eight millions of inhabitants, of whom about the fourth part, or seven millions, are men of military age. The number of soldiers, however, which are found sufficient to defend these may be set down at about 50,000. On these *data* we have but one soldier for more than every 500 persons; or for about every 130 men of military age; or, again, the 560th part of the whole population suffices for the military protection of this wealthy empire.

If we look at the subject in relation to saving of *time*, the case is equally striking. The proper employment of time is, of course, the fundamental condition of the production of wealth. The time, however, that is spent in repelling aggression is, so to speak, lost time; it might have been profitably spent in the arts of peace, had there been no aggression either to repel or to fear. But when such aggression does exist, or may exist, the less time the nation loses thereby the better. Now, the economising of time is the well-known effect of the separation of employments; and how much the separation of that of the soldier from every other has this effect, is deserving of serious attention. Using the figures before

* Money Matters, p. 67.

mentioned, we find every person in the community enjoying military protection at the expense of about three minutes a day each. There is no other means by which this national defence could be secured at less loss of time.

When we see standing armies economising to such an extent the labor and time of society, the cheapness of the system is, of course, clear. Let us, however, also estimate their cost in *money*. It would not here be easy to be exact, as, leaving the extraordinary demands of war out of the question, the expense of our army will fluctuate with many circumstances connected both with ourselves and with our dependencies. Supposing, however, for sake of round numbers, the annual expense of the army, with the ordnance, to be so much as £10,000,000, and the population to be 30,000,000, instead of scarcely 28,000,000, the average expense is at the rate of 6s. 8d. a head per year; or about two pence a week for the whole population. And supposing the yearly revenue of the nation to be £50,000,000, the maintenance of the military service absorbs but four shillings of each pound paid in taxes. I do not mean that £9,000,000, or £10,000,000 a-year is, in itself, any trifling sum. On the contrary, it is the resources of the nation being capable of standing upright under this, and far heavier burdens, that under Providence enables us, in our present struggle, to anticipate with calmness the story of future history. But I submit that our army expenses are small, when compared with what it would cost the community to defend themselves, if it were possible, by any other means. And in all such calculations there is one most important consideration we should never lose sight of, namely, that by making the occupation of the soldier a distinct one, the pursuits of commerce and industry are kept free from interruptions to which they would otherwise be necessarily exposed.

Let us now, in the third place, consider the *efficiency* of standing armies. That they should be efficient, is only what we are to expect from the nature of the case. Adam Smith, in the opening of his great work, mentions as the first of the advantages of a division of labor, "the increase of dexterity in every particular workman." "The improvement," he says, "of the dexterity of the workman, necessarily increases very much the quantity of work he can perform, and the division of labor, by reducing every man's business to some one simple operation, and by making this operation the sole employment of his life, necessarily increases very much the dexterity of the workman."* What is true of "one simple operation" in a workshop, is true also of *classes* of operations, or of the various pursuits of life. That which is a man's "sole employment" is that in which he is most likely to arrive at excellence. When, therefore, a body of men, as in a standing army, are enabled to devote their lives to military concerns, their efficiency as soldiers follows as the natural and necessary result. Accordingly the author from whom I have quoted illustrates the efficiency of standing armies, by referring to them some of the most important events in the great contests of mankind.† The first regular

* *Wealth of Nations*, book I., chapter i.† *Ibid.* book V., chapter i.

army of this nature, recorded in history, was that of Philip of Macedon; and before it the best militias of the Grecian republics and the Persian empire gave way. When the Roman militias became transformed into a standing army, by long service and strict discipline, they bore down before them all the ablest militias of the ancient world. And we may learn a useful lesson from the fact, that it was when that powerful army was allowed to become relaxed during a long peace, the Roman empire sank before the northern invaders.

I would here, too, observe, that the devotion of the time and thoughts of the soldier to the business of defence, has as useful an effect on his moral nature, as it has in the production of his dexterity and skill. It is a well known fact, and one that has been fully developed by ethical writers,* "that the being accustomed to danger begets intrepidity." The power of guarding against danger becomes more active, at the same time that the painful emotion of fear becomes less easily excited. To produce this effect, the encountering of *actual* danger is not so necessary as we might imagine. The result will be as surely produced through the mutual operation of *thought* and *feeling*. By the soldier being habituated by discipline to thoughts of danger and enterprise, the emotion of fear will be almost as effectively numbed as if he had learned warfare on the battle-field. This is, in a great measure, the true account of the fact noticed by Adam Smith, in his chapter on the Expenses of the Sovereign:—"The soldiers of a standing army," he observes, "though they may never have seen an enemy, yet have frequently appeared to possess all the courage of veteran troops, and the very moment they took the field, to have been fit to face the hardest and most experienced veterans." . . . "In a long peace," he adds, "the generals, perhaps, may sometimes forget their skill; but where a well-regulated standing army has been kept up, the soldiers seem never to forget their valour."† In corroboration of this, he refers to some remarkable instances in history; but it would be idle for me to occupy your time in quoting them, while the transactions of the last few months are fresh in our minds. We may therefore conclude, both *a priori* and from fact, that Standing Armies, besides being the most convenient and the least burdensome, are also the most efficient means of national defence.

The nucleus of our present standing army was the two regiments of guards which Charles II. formed in 1661; but its numbers were long restricted within very narrow limits. The reason of this restriction was the jealousy with which the existence of such a force was regarded by the parliament and people—a jealousy which the temper of the throne too often showed not to have been altogether groundless.‡ Under our present system of things, however, such apprehensions would of course be necessarily out of place; and this as well from the provisions of the Mutiny Act, as from the army itself being

* Bp. Butler:—Analogy, part 1, chap. v. Sir J. Mackintosh:—Eth. Phil., p. 394.

† Wealth of Nations, book V., chapter i.

‡ Hume's History of England, vol. VIII., page 430.

under the command of men as vitally interested as any citizen in the preservation of civil liberty.

Hitherto we have been treating the system of standing armies as if its adoption by us were solely a matter of choice. But there are two circumstances referred to in the "*Wealth of Nations*," which show not only the policy but the absolute necessity of such a means of defence in an advanced stage of civilization. The first is the fact of trade and manufactures engrossing so large a share of the time and labor of the people. The second is the improved and more complicated nature of modern warfare. The opposition between these two powers must give standing armies as their result. Recent discoveries and inventions, along with having rendered the instruments of war more costly, have also rendered military operations more exacting on the time and study of those who would practise them. The progress of trade and manufactures, on the other hand, leaves those who would follow them neither time nor fitness for military service. "When commerce and manufactures begin to flourish," to use the words of Mr. Macaulay, "a great change takes place. The sedentary habits of the desk and the loom render the exertions and hardships of war insupportable. The business of traders and artisans requires their constant presence and attention. In such a community there is little superfluous time; but there is generally much superfluous money. Some members of the society are therefore hired, to relieve the rest from a task inconsistent with their habits and engagements."*

And this seems the proper place to observe the fallacy that lurks in the proposition of a mutual reduction of fleets and armies by different nations. If two nations, it has been urged,† were each to reduce their armies to one man, their relative strength would be preserved the same at less cost. But whether such would be the case or not depends upon a condition which has been kept out of sight, namely, that the tastes and occupations of the people of each nation should be the same. Were they not so, the community that was more devoted to trade and commerce ("the desk and the loom") would for that very reason be the more helpless, as well as being the one more likely to be attacked. The proposition in question, therefore, is not merely Utopian, but, being founded on a superficial view of society, is essentially fallacious.

Let us now see what are the conclusions to which, I submit, the foregoing considerations irresistibly lead. They are, that we should scrupulously maintain a distinct military class, and that we should regard with extreme distrust any suggestions made for lowering its condition or its strength. We should feel, too, that as the military body, like the naval, discharges one of the most important services for society, everything connected with its efficiency and well-being is matter for anxious public solicitude: that, in time of war, particularly when our armies go forth in behalf of our national interests, their progress and circumstances should be the objects of special concern: that the intelligence and wisdom of the country should

* *Essays*.—Machiavelli.

† Mr. Cobden's motion on International Arbitration, House of Commons, June 17th, 1851.

be strained to forward their exertions, and terminate them speedily with success; and that for this purpose our wealth should place at their disposal all that science, and patriotism, and benevolence can suggest. Again, on the return of peace, when the danger has been overcome and the national burdens lightened, we should let no re-action carry us too far. Instead of aiming at perilous retrenchments in our military expenditure, which some are "busied about" as if it were "the one thing needful," we should turn our attention to improvements in the internal organization of our military system: to see how its condition and efficiency could be improved by a better distribution and adjustment of its different functions; by the encouragement and timely adoption of the results of scientific research; and, in fine, by the cultivation of worth, ability, and intelligence, and by a proper recognition of them beyond every other consideration. It is thus, by turning the contributions of the public to the best account, that unnecessary demands on the capital of the country will be most safely obviated and the likelihood of war decreased. By our presenting an impenetrable front, other communities, if actuated by no better motives, will recognise the hopelessness of any attack on ourselves; while the weight with which the indignation of the people can back their remonstrance in behalf of the rights of others, will so far tend to forward the peaceful negotiation of differences, and so realise the wish of every well-disposed and prudent man.

War is in every respect the enemy of the interests of mankind. It wastes the wealth that peace has accumulated; it disturbs trade, and embitters international feelings; and, which is far more serious, it shows a disregard, in some quarter, of the spirit of Christianity.

We should take heed, then, that we engage in no war that is not both necessary and just. But we should remember, on the other hand, that if we allow our wealth and our commercial prosperity to invite or tempt attack by a show of indifference, inefficiency, or neglect, we also are responsible for the consequences; we are morally partakers in the folly and guilt of the after-conflict, as surely as there is truth in morality.

The need for national defence will lessen only with the spread of enlightened and philanthropic views throughout the world. Such "were a consummation devoutly to be wished." But till it have arrived, we are bound, by necessity and by duty, to use the best means we can command for our protection from assault; and that Standing Armies are such a means I have now endeavoured to prove.

V.—*Factory Education.*—By P. J. M'Kenna, Esq.

[Read 19th March, 1855.]

The tendency of the present age is evidently to consult for the amelioration of the condition of the humbler classes. Men are now awakening to a sense of their duties, and begin to bear in mind

that wealth and power are given but to a few and should be used for the advantage of their fellow men. Policy, however, as well as duty, would teach us to care for those who, with physical powers that may be converted to dangerous uses, are steeped in ignorance and want. It would be needless to point out the advantages of, or the necessity for, educating the great masses; and knowing, as I do, that there are amongst our members many men who, from their position as directors of railway and other companies and as proprietors of large manufacturing establishments, possess considerable power and influence, I consider it especially desirable to bring under the consideration of this Society some details connected with a system of factory education which has been attempted by the proprietors of Price's Patent Candle Company, and has been productive of the most desirable results. As I have already said, I think the proper feeling of consideration for our humble fellow-men is very generally diffused amongst those possessing the greatest power for good; and I have no doubt that there are not a few heads of large establishments who only require to have a plan for the moral and social improvement of their work-people suggested to them and proved to be successful, in order to adopt it. I trust that this paper, by attracting the attention of such men to a course of education as connected with factories and factory concerns, will effect much direct and immediate good; and I have little fear that those into whose hands my paper shall come will deserve the following reproach of Mr. Wilson, the manager of Price's Patent Candle Company, or neglect his hint.

"The best that a clever and energetic man can expect from going into 'society,' or from getting into parliament, is a certain amount of usefulness and happiness; but he has already under his feet, in his own factory, a mine of untried usefulness and happiness to himself and to others, difficult enough, no doubt, *to open*, and requiring, perhaps, a good deal of apparently profitless digging at first, but containing veins of such richness as when once struck to repay ten times over any exertion it may have cost him to reach them. In 'society' and in parliament a man has to deal with minds as much formed and as little pliable as his own, so that without extraordinary powers it is not much that he can hope to do in the way of influencing them. But in his factory he needs no such powers. His mere position disposes every mind in it to form itself upon his, and the extent of his influence is bounded only by the limits he himself may choose to put to the trouble he will take to acquire it. I think manufacturers getting into parliament, and then asking for education bills, are acting as if fathers of families were to devote themselves to parish business, and use the power thus acquired to procure the creation of a lot of additional beadles to go and manage their families for them in their absence."

Price's Patent Candle Company, as it is called, is a very extensive copartnership, with a large body of proprietors. Some idea of its extent may be formed from the fact that there are at times as many as 800 children connected with the Company's works attending the schools. I mention this lest some of the figures mentioned as to the expense of their educational establishments should terrify

others, as it should be borne in mind that such expenses are always relative, and that from a company clearing £20,000 per annum £500 is only equivalent to a sum of £50 from the proprietors of a small concern whose business is worth but £2,000 annually. This Company has been wonderfully fortunate in its selection of a manager, as, to judge from his conduct and letters, a man of purer philanthropy could not be found, while at the same time he conducts the business of the establishment with the greatest possible regard to the interests of the proprietors. To him may be justly ascribed the merit of reconciling the interests of the working man and his employer, and of showing that a little consideration and care, and a trifling expenditure for the benefit of the working man, are amply repaid by the increased attention, activity, and good-will of the employed. It is in a report, or rather a series of reports, commencing in 1852, furnished by him to the proprietors, of the success of his efforts in providing for the education of the factory people, that the details from which I extract may be found. The origin of the schools connected with this extensive establishment is thus related by Mr. Wilson, and it is gratifying to find that they originated with the boys themselves.

"The schools began in a very humble way, by half a dozen of our boys hiding themselves behind a bench two or three times a week, after they had done their day's work and had had their tea, to practise writing on scraps of paper with worn-out pens begged from the counting-house. The foreman of this department encouraged them, and as they persevered and were joined by others of the boys, he begged that some rough moveable desks might be made for them. When they had obtained these, they used to clear away the candle boxes at night and set up the desks, and thus work more comfortably than before, although still at great disadvantages as compared with working in any ordinary school. My brother encouraged them with some books as prizes, and many who had been very backward, improved much in reading and writing."

The first half dozen soon increased to about thirty, and it was found that the boys, in addition to the loss of time spent in clearing their school-room, had the further difficulty of insufficient space for their numbers, to contend with. Under these circumstances, Mr. Wilson availed himself of the opportunity of converting a useless old store into a large and convenient schoolroom, capable of containing upwards of one hundred boys. In the winter of 1848, possession was taken of the schoolroom by the boys, who were as yet self-educating and self-governed. This system of self-government was found after a time, as may be imagined, unsatisfactory ; as the more advanced boys could not get on without a preceptor, and the school was falling somewhat into disorder for want of a head. Accordingly, at the request of the boys themselves, the management was to a certain extent taken out of their hands.

It may be observed here, that there was originated also a day-school, for the benefit of all the boys connected with the factory ; and that those who were not in immediate employment, either from there being, as occasionally was the case, a slackness of work, or from their not being yet entered on the factory books, might avail

themselves of the advantages presented by the managers' care. During some weeks, from the press of work, there would be found but one hundred boys attending in the day-school, while in others there would be as many as one hundred and forty. Mr. Wilson's estimate of the annual expense of the day-school is £130, of which the sum of £96 is for regular salaries. One of the chief advantages presented by such a school (independent of the satisfaction that must be felt in discharging our duty to those who are to a certain extent entrusted to our care) seems to be the securing a superior class of work people, of tried intelligence and good conduct; as employment in the factory or the works with which the school is connected might be held out as the reward of special attention and propriety of manners. Again, it is a matter of no slight consequence to have the young hands of a factory kept, during their unemployed hours, out of idleness and its likely consequence, some kind of useless if not vicious occupation. Progress of some kind there must be, either for good or evil, and if some care be not taken to improve, such is the tendency of mankind, especially when associated, that demoralization will ensue. In the course of the meeting of proprietors at which Mr. Wilson's suggestions and his outlay were approved of, one of the proprietors makes some observations on this subject, the truth and force of which all must admit.

"Which of us does not know too well the great evils and intense temptations to which the uncared-for children of our English factories are necessarily exposed when herded together in hot contaminating crowds, and regarded, as the very term 'hands' so generally applied to them itself suggests, rather as so many mere components of the machinery than as human beings? Shall we not in our factories obviate this evil by increasing, so far as we can by education, the average moral strength of those by whose toils we profit? And shall we not at the same time strive earnestly to purify the moral atmosphere in which they work, by shutting out or at least mitigating the temptations and occasions of evil which the average moral strength of factory children is found incapable of resisting? It is said—you must all have frequently heard it—that joint stock companies have no consciences. Let this company prove itself an exception to any such rule by acting towards its factory 'hands' as not forgetting that those factory 'hands' have immortal souls."

As regarded the evening schools for those who were employed in the manufactories during the day, although they were well attended, it was found that the numbers were not so great as they should have been. In truth, when one considers the situation of those boys or young men, engaged in arduous labour during the day, not alone uneducated, but almost ignorant of the advantages of education, the wonder is that the schools were so well attended. With equal ingenuity and good taste Mr. Wilson adopted a plan which, as he himself says, without casting a slur upon those who did not attend, would yet encourage the well-disposed and attentive.

"With this view we repeatedly in the spring and summer of 1849 asked all the school to a tea party in the new room. The first tea was an interesting one from the fact that very many of the boys had

not been at anything of the sort before, and that many of them, not being in the habit of going to church, had never, perhaps, put themselves into decent clothes at all. Those who came untidily or dirtily dressed to our first tea, feeling themselves out of keeping with the whole thing, tried hard to avoid this at the next party. I hope that to several our first tea was the occasion of their taking to neat dressing for life."

Afterwards greater inducements were held out to the school-boys in the shape of prize books, cricket matches, and occasional pleasure excursions.

Mr. Wilson very properly considers that when boys who have been working all day give up an hour and a-half or two hours in the evening for four nights out of the week to what must be, for some time at least, an irksome employment, that of being instructed, their self-denial should receive some reward and encouragement. He accordingly had a cricket ground prepared for the boys who were attending the school, in which they enjoyed themselves in the proper season; and in the course of each summer treated them to two or three trips to the country, in the neighbourhood of London. Although these matters have no direct reference to education, yet they cannot be considered unimportant as regards the relationship between employers and employed, and the promotion of kindly feeling between the masters and the men. There is also another and still more important branch of education, namely, religious, to which Mr. Wilson has, in his anxiety to make the management of his employers' factories a model for others, given his attention; but to this branch of the subject I shall not further advert. I do not consider it expedient to introduce this much-vexed question, and shall not therefore enter here upon this subject.

The numbers attending these schools and the estimated annual outlay may be of some utility, and are as follows :—

Belmont, evening school.....	211
Belmont, day school.....	103
Night light, boys' school.....	97
Night light, girls' school.....	101
TOTAL.....	512

and the estimated future outlay, based on an average of the current expenses of the preceding years, are :—

	Per annum.
Candle factory, evening school.....	£190 0 0
do. day school.....	130 0 0
Night light, boys' school.....	40 0 0
Night light, girls' school.....	80 0 0
Cricket and gardens.....	80 0 0
Summer excursions.....	55 0 0

Not more on an average than about seventeen shillings a-head for their secular education and such amusements as will alike encourage them in the discharge of their duty and the pursuit of useful and necessary information, and create and promote kindly feeling between the capitalist and the laborer. It is gratifying to find that considerable as are these annual sums, and also the outlay, which was indeed very considerable, in permanent arrangements,

the entire body of the proprietors of this company, with the exception of one dissentient, adopted the suggestions of Mr. Wilson, and voted the necessary sums for carrying on these reformatory educational measures.

Nothing can be more difficult than to show in figures the amount of gain to employers from good conduct, good will, and attention on the part of their work people. Short-sighted and wrong-headed people, who think their primary object is to screw out of their work people at the smallest possible outlay the greatest amount of work, and who really deserve to be classed amongst those who, to use a homely expression, lose their sheep for a pennyworth of tar, always start this objection. Supposing I lay out £300 a year on my people, educating their children and affording them occasional holidays, what return do I get? None! for I cannot reduce it to figures; I cannot make it out in pounds, shillings, and pence. Such a man is blind to his own advantage as well as forgetful of his duty to those who, placed beneath him, are to a certain extent entrusted to his care by their Maker. If he will not trust the evidence of his own senses and his powers of reasoning on those facts, if he will ignore increased activity and attention to work, and their consequence in an increased produce of an improved article, let him try for a year or two the kindly system, that which duty points out to him, and if other disturbing influences should not intervene, he will find an increase in the tot of his yearly profit notwithstanding the outlay. On this subject Mr. Wilson well observes:—

“If I were forced to come to some particular proved instances of benefit to the business, I should take first the one which you witnessed the other night. After coming down from the schools into the factory a number of boys working steadily and well at what a few years back we should not have thought of trusting to any but men, it being an operation requiring much greater care and attention than can be reckoned upon from ordinary untrained factory boys. Yet even here the exact pecuniary amount cannot be stated, for the boys whom you saw at work are not substitutes for men but for machinery. It is the fact of our having at command cheap boy labour which we dare trust that enables us to make now by hand the better sorts of candles, which we used to make like the other sorts in the machines, and which, on account of the hardness of material when so made, were never free from imperfection. The benefit will come to us not in saving of wages (for had the choice been only between the men's dear labour and the machines, we should have stuck to the machines), but in increased trade, through the imperfections of the candles being removed.”

It is to me a matter of considerable regret that the rules of this Society will not permit me to bring under your consideration this topic at the length I could wish, or which the subject deserves. Every effort, however, towards a desirable or useful end, no matter how feeble, may be productive of results; and these few meagre observations may, by attracting the attention of good and wise men, bring into the field competitors worthy to strive with Mr. Wilson for the respect and esteem which he has won from all to whom a knowledge of his exertions in the cause of humanity has been communicated.

VI.—*The Workhouse as a mode of Relief for Widows and Orphans.*—
By W. Neilson Hancock, LL.D.

[Read 29th January, 1855.]

ONE of the effects of the great contest in which we are now engaged, is to develop to an extraordinary degree our devotion, self-denial, and generosity,—in short those qualities of our nature which are comprised under the phrase, manly character.

This tendency has been shown in the promptness with which the duty of providing for the widows and orphans of soldiers has been recognised, and the zeal with which a patriotic fund worthy of the nation has been raised.

The paramount duty thus enforced and established, involves a principle of much more general application. We deem it necessary to provide for the widows and orphans of our soldiers, because we believe that men are the natural supporters of their wives and families, and that women cannot in general be expected by their unaided exertions to support themselves, much less their children.

One of the most obvious applications of this principle is to the case of the widows and orphans of those who perished during the recent years of famine and disease.

In what way are they treated by our Poor Laws ?

The administration of the Poor Laws in Ireland is based on the policy introduced in England by the Poor Law Amendment Act of 1834. One of the fundamental maxims of that policy is to use the workhouse as the chief test of destitution; the labourer is, as a condition of relief, to be placed in a position less eligible than that of the independent laborer, and the regulations and discipline of the workhouse are framed so as to effect this object. So stringently is this principle carried out in Ireland that there are scarcely any able-bodied men receiving relief. On the assumption that in ordinary times all who are able and willing can find means of support by their labour, it is fair and right to adopt effectual means for protecting the public from encroachments arising from indolence or idleness. But during the recent famine, when thousands of men from no fault of their own, but from a national calamity that baffled forethought or remedy, were plunged in destitution, the workhouse system as applied to men entirely failed, and out-door relief on an enormous scale became inevitable. The absurdity of attempting in such times to diminish pauperism by putting the pressure on the poor became manifest.

Such being the foundation of the workhouse test, we have next to see how widows came to be brought under its operation. This rests on the maxim in Poor Law policy of treating women as being as regular labourers for wages as men, and as equally bound to support themselves and their children. Hence women are classed as able-bodied, and they are not allowed to leave the workhouse whilst a single child is supported out of the poor rates. The plan

of applying the workhouse test stringently to women has been attended with very different results from its application to men. Applying pressure to the women has not increased their ability to support themselves—and at the present time the most remarkable facts in the poor law statistics of Ireland are the extraordinary number of women, especially of young women, in the workhouses, and the almost total cessation of out-door allowances. Thus making the workhouse the sole mode of relief for women and children.

Now this exclusive adoption of workhouse relief for these classes is a very important and responsible step, and it requires to be justified and defended on some principles that can satisfy our consciences in the discharge of our duties towards those who have such strong claims on our protection.

From what I have already said it is plain that we cannot dispose of the question by calling a widow an able-bodied pauper, and by assuming that she is able to support herself and her children, and must therefore undergo the workhouse test. On such principles what would be the meaning of the Patriotic Fund, and all the manly anxiety for the widows and orphans of our soldiers?

It may be observed too, as illustrative of the public feeling with respect to our Poor Law system, that no one ventures to propose the workhouse as a suitable place of relief for the widows and orphans of our soldiers. It is plain, therefore, that the spontaneous and universal recognition of the principle that women ought naturally to be supported by men, implies a complete condemnation of the Poor Law doctrine of applying the workhouse test to women and children.

If we proceed to examine the suitability of our present system on other grounds, it will naturally occur to us to ask, how is the widow assisted in the arduous duty of rearing her children, without the advice and authority of a father to control them, by having them separated from her and from one another?

How again are she and her grown up daughters aided by having relief given to them in a way that forces upon them the constant companionship of the unfortunate and depraved of their own sex?

So strongly has this difficulty pressed on the minds of conscientious guardians that they have attempted a classification of females within the workhouse on the grounds of character. Such a proceeding, however, is at once impracticable and unfeeling—impracticable, because you cannot define the degree of frailty that is corrupting; neither can you fix a stigma on character without evidence and fair trial. It is unfeeling, for, however unfortunate or depraved a pauper may be, you cannot, with any feelings of humanity, accompany the giving of assistance to distress with a sentence of degradation. Such a classification would be not only unfeeling but repulsive, if it should condemn the penitent to associate only with the depraved.

The natural feelings of the poor as to the kind of relief suited for widows, were brought under my notice on a recent occasion. An application was made to the trustees of a local charity to place a widow on the list for an allowance of out-door relief of less than one shilling a week—her husband had died of fever during the

famine, leaving her with three children. She had been admitted to the workhouse—one child had died there; after some time another had been apprenticed out of the workhouse by the guardians. She proposed, if the allowance were made to her, to bring out her remaining child with her, and to have a home for her son when his apprenticeship would terminate, when she hoped that he would be able to provide for her entire support without the allowance being continued. Unfortunately she was not born within the limits of the special charity, and so was disqualified. A relative in America had sent a remittance to her, which was however not sufficient for the passage money of more than one. She waited nearly two years for a further remittance—it came at length, and she was thus enabled to take her infant with her, but she had to leave her son behind.

Now the arrangement which the woman contemplated was the natural and the right one. If the assistance given in the workhouse had been allowed her outside, she might have had her son under her care during his apprenticeship—she might have remained in this country to rear him as a useful and valuable member of society. If again the cost of her and her child's relief had been given to her when the first remittance came from America, she might have been enabled to emigrate at once, and to have taken both her children with her. In either case the children would not now be separated by the Atlantic, the mother would not now be in want of the comfort and protection of her son—he would not now be a poor-law apprentice, without a home in Ireland. In short, but for the stringent application of the workhouse test, the calamity of the father's early death need not have produced the further calamity of breaking up a human family.

The case which I have narrated brings us at once to the consideration of the next branch of the subject—the suitability of the workhouse as a place for rearing orphans.

It appears at first view a strange way of supplying the loss of the father, to remove the children from the care and control of the mother—to break up besides all the ties of blood, kindred, and even of acquaintanceship.

The system has not been long enough in operation in Ireland to enable us to judge of the full effects of it by experience, but an experiment on a large scale ought to suffice for our guidance without sacrificing a whole generation of pauper children for our further instruction. The children reared in Foundling Hospitals in Ireland were in a position in most respects similar to that of orphans in a workhouse. The system was not successful in producing useful members of society, and the reasons of this failure will be easily perceived.

The natural way of rearing children is as members of a family, with a mother to cherish and a father to control. If the family should be broken in upon by the death, as in the case we are considering, of the father, his place should be supplied by some one similar to him in position, to stand in his place to the children—in short by a guardian. Now the duties of guardian to a child cannot be properly discharged by a Board—they are from their

very nature individual and personal duties. Take for instance the two most important duties to be discharged, the religious and moral instruction of the child, and the selection of the trade or calling to which he shall be brought up and in which he is to spend his life. How can a Board of Guardians, composed in every instance of persons of different religious persuasions, superintend the religious instruction of orphans?

How again can a Board, composed of persons in one rank in life, choose the proper trade for orphans in a totally different rank, of whom they know nothing personally as to their tastes, opportunities, connexions, or abilities? Indeed the apprenticing of pauper children by Boards of Guardians, so ably exposed by Dickens in his *Oliver Twist*, presents instances of reckless levity, and of the most heartless selfishness. The motive of reducing the rates by apprenticing the child often leading to the acceptance of the first proposal that may be offered.

I have said that we have not realized the full result of rearing children in workhouses, but there are indications of what that result is likely to be. There has been a remarkable increase in juvenile crime in Ireland.

Mr. Jonathan Pim called attention to the extent of this in his introductory address.

Mr. William H. Pim called our attention to the same subject in his paper on Juvenile Depravity.

Mr. O'Hagan, in a recent charge to the Grand Jury at the Quarter Sessions at Longford, dwelt on the same subject.

The remedy suggested for the prevalence of juvenile delinquency is reformatory establishments. These again are objected to, on the ground that the removal of children from parental control turns out ultimately disastrous. All these facts and discussions indicate that the defect lies deeper; that we neither enforce the due performance of the parental duty, nor do we adequately supply its place where death or depravity has deprived the child of parental guidance and control.

The importance of transferring the guardianship of pauper children from Boards to individuals is shown by other considerations. Some recent cases of the transmission of paupers from England and Scotland have shown such disgusting selfishness on the part of Boards of Guardians, as to demonstrate that the more helpless portion of the poor require some protection against the inhumanity of those who are misnamed their guardians.

The first case I shall refer to on this point is noticed in the *Nation* of the 13th of January. A man named James Smith left Drogheda about the year 1821, at the age of 10 years. He resided for the last 34 years in England, chiefly at Chelmsford in Essex. He there married an Englishwoman some twelve years ago. Until recently he supported himself and his family entirely by his labour, with the exception of one occasion, when for a fortnight during illness he obtained relief from the poor rates. In the course of last year, he and his wife got into bad health; he applied for and obtained relief. His ill-health continued for some months. The selfishness of the guardians was aroused; they

thought that they might have to support a sickly labourer in his old age, or that they might have for a few years to support his widow and children. How was the family to be got rid of? The fact that Smith had been born in Drogheda was recollected, and accordingly the man, with his wife and three children, was brought up to London, and in the depth of winter they were placed as deck passengers on board a steamer for Dublin, with 2s. 6d. given them for their sustenance. They were on the sea for five days and four nights, and when landed on the Quay in Dublin did not know where to go. They are now in the North Dublin workhouse.

Now if the man should die, what is to become of his widow and orphans? She, an Englishwoman, is transported from every relative she has; the children are removed from the place where they were born and reared, where their father worked and was known, and where any friends he had made in his own rank in life resided.

This conduct of the guardians arose from no mistaken notion as to their duties, but simply from heartless selfishness; they wanted to get rid of what they considered a burden, and they were ready to shift the burden on any one else, utterly regardless of the effect of their conduct on the helpless family entrusted to their care. Suppose both parents should die, and the children after being reared in the workhouse should commence supporting themselves in Dublin, what feelings will be created in their minds by the conduct of the Chelmsford guardians—will they have more respect for the laws, or for the class to which the guardians belong? Will they restrain their selfishness, or will it not be increased ten-fold by the way in which they have been treated? Can we be surprised if children so treated increase the number of juvenile delinquents?

The Scotch case, which also happened in the present month, is still worse. I take it as quoted from the *Belfast News-Letter* :—

“BELFAST POLICE OFFICE.—Surgeon Browne, R.N., proceeded to make an application arising out of the following circumstances: On that morning a woman named Glenn, with five children, had been landed from the Scotch boat in Belfast, having been sent there by the authorities at Paisley under the provisions of the Scotch law. The woman was a native of the county Donegal in Ireland, but had lived in Scotland (Paisley) for twenty-two years with her husband, also an Irishman, who had lived in Scotland for the same time. She had become the mother of eight children, all of whom were born in Scotland. A short time since, her husband was obliged to leave her and go in search of work, being a labourer; the consequence of which was that his wife and family were, for the time being, left in a state of temporary destitution. She took the course which was usual under such circumstances there, and made application to the parochial authorities of Paisley for relief. They sent her before the sheriff's substitute of the shire of Renfrew, where she was sworn as to the length of time she had lived in Scotland. She then received a ticket, with which she was sent back to the relieving officer, with the impression that she would receive the aid for which she had applied for herself and her children. On handing the ticket to that functionary, she was shown into an inner room, without anything being said to her regarding what was designed for her, and there she remained for six hours without receiving meat or drink! At the end of that time four of her children, two of whom had been working for themselves, were brought to her, and she was told that she was to be sent from Scotland, and was placed in the train to be taken to Greenock for such exportation. On her way to the train, some person whom she did not know came to her and thrust a child in her arms, which was none of hers, and which she had never seen before, telling her that she was to take care of it, and then suddenly disappeared, leaving the poor bewildered woman no time to decline the charge. The regular documents regarding the child were duly forwarded to

Belfast, and the poor woman took care of it until her arrival in Belfast, and still retained it in her arms in the court.

"A long conversation arose out of this most extraordinary statement of facts.

"Mr. Tracy said that such a truly savage case had never come before him. Here was a child, stated to be from Donegal, thrust upon this poor woman, and sent over to Belfast, where it had no claim, without either money, or anything in the shape of maintenance. The treatment that the woman had received was such as one could hardly believe to be given to a fellow-creature in a professedly Christian country. Of course, temporary relief must, in the meantime, be provided at the Union Workhouse, until something further should be done. The case was one so harrowing in every light in which he could view it, that he almost felt himself incompetent to proceed with any other business, so deep was the impression it had left upon his mind."

I will not attempt to make any additions to the manly expression of feeling of the magistrate before whom this case came; neither will I enter upon the large question which it raises as to the power of removal now entrusted to guardians. I use these cases only to show that Public Boards cannot be safely left as the sole guardians of widows and orphans.

From a due consideration of these cases, we must also feel convinced that the workhouse test is not that perfection of human wisdom which it was represented to be. The intense selfishness which it seems to produce in guardians is a much greater evil to the community than some of the generosity and even laxity of administration which it was intended to counteract.

Besides the question of guardianship, there are objections to rearing children in workhouses on sanitary grounds. In the arrangements respecting their food and their health, there cannot be that care, that watchfulness and hearty sympathy, which individualized responsibility, accompanied by some natural tie and some human feeling, can alone produce.

With respect to some workhouses in Ireland, it has been alleged that the diet for the children is insufficient. In others, as in the North Dublin Union, the mortality of infant children is excessive. Some ten years ago, the mortality there rose to such a height that it became matter of public investigation. What it is at present I do not know, but a remark of a guardian at a recent meeting was significant of his opinion on this point. When a question arose as to the religion in which two deserted children should be brought up, Mr. Roper said, "I think it a thousand pities to lose so much time about a matter of no consequence, because every man knows that from the system of the house not one of these children will be alive this day twelve months." How guardians, with such convictions on their minds, can be found to be the instruments for enforcing the rule that no child shall receive relief except in the workhouse, it is not easy to understand.

However strongly we may feel on this subject, it would be to little purpose for me to direct your attention to it without suggesting remedies.

As to widows, out-door relief ought, I think, to be the rule, and the workhouse the exception. The relief should be given to them in such a manner as to aid them in rearing their children, and so that it might be accepted by the widows of soldiers and sailors, with a slight increase in consideration of their husbands' services.

As to orphans it would be necessary, in like manner, to make out-door relief to them also the rule. This relief should be given to the mother as long as she remained a widow, and devoted herself to the care of her children.

As I have already noticed, the mother's duty is to cherish, and the father's to support and control. It would then be necessary for the proper rearing of the children, not only to support them out of the rates, but to make some legal provision for giving some male relative, nominated by the father's will, or chosen by the mother, the office of joint-guardian along with her. This would in fact be only extending to the fatherless children of the poor a protection somewhat similar to that which has for centuries been in operation with respect to the fatherless children of the rich.

Although we have in theory the same law for the poor as for the rich, yet in practice the poor are debarred by our system of law taxes from the benefit of all the more refined and valuable protections of the law. Thus the officers of the courts of probate being paid by fees and not by salaries out of the general taxes, it becomes too expensive to prove a poor man's will. As a matter of fact not one in a hundred is proved, yet the appointment by a poor man of a guardian for his child is as sacred and as important a *duty*, and one that the law should foster with as jealous care as the same act when performed by the richest and proudest peer in the land.

Again the Court of Chancery will interfere and appoint a guardian for a child, but as the officers here again have in past times been paid by fees, it has been established that this jurisdiction as to the person will only be recognised where there is property to administer. It should have been, where there is property to pay the fees.

This limit of jurisdiction, apart from the fees, rests on a most strange doctrine, in which the care of some property is made of more importance than the rearing of a youth to be a worthy member of society; in which, in short, money is more thought of than man.

If the principle was fully carried out of having the officers of the law all paid by salaries, and all like the police fulfilling their duties without fees from the parties protected, then the jurisdiction as to guardianship might be extended to all orphans, and the magistrates in the different localities might be enabled to appoint the guardians for each orphan or orphan family.

There is one evil that the removal of the children from the workhouse might produce, which ought to be guarded against—I refer to the neglect of their education. To prevent this it would only be necessary to make their allowance contingent on their attending some approved school in their neighbourhood after attaining a suitable age. Such a precaution would bring them under view, have them compared with other children of their own age, and save them from being too early put to labor.

I cannot conclude without observing that the time has arrived when the question I have raised, and other questions as to Poor Laws, are likely to be considered on broader principles than those upon which the Poor Law Amendment Act was framed in 1834, and the Irish Poor Law introduced in 1838.

If we look back at the discussions of those periods, we shall be surprised not more at the change in the condition of the country than in the opinions of the public.

The defeat of protectionism has rendered a return to the abuses of the old English Poor Law almost impossible. The agriculturists of the present day could no more reduce the wages of their labourers at the expense of their neighbours, than they can raise the price of corn.

Again, the Malthusian doctrine that all the sufferings of the poor are of their own creating, and the remedy within their own control, is exploded. Thus the principal danger which the new Poor Law was intended to meet no longer exists, and the theory on which it was framed is no longer believed. (?) —

In Ireland the change since 1838 has been still greater—the opposition of the landlords, which rendered the introduction of any but the most stringent Poor Law impossible, has entirely ceased. The Incumbered Estates Court has disclosed the real cause of the most violent part of that opposition. We now know that in 1838 one-sixth of Ireland was in the hands of proprietors, who from the amount of their incumbrances were only the nominal owners of their estates, and entirely unable to pay poor rates, or discharge any other duty connected with property.

Again, the emigration which successive governments recommended but were unable to manage, has been carried out by the poor themselves under their own guidance, and out of their own resources. The labourers who were represented as idle, improvident, and so savage as to prevent the landlords improving the country, have in America earned high wages by their industry, saved largely by their providence, and have shown the finest traits of humanity and civilization in devoting their savings to the assistance of their relatives and friends in Ireland.

Again, instead of able-bodied men abandoning all labor, crowding the workhouses, and to use the language of the time, “with the proneness of the Irish peasantry to outrage and insubordination, breaking through all restraint and demolishing the buildings,” we have scarcely an able-bodied man in any workhouse, and during the sixteen years since the law has been introduced no workhouse has been destroyed by violence, and scarcely any serious disturbance has taken place.

In short, the principles on which the Irish Poor Law is to be administered for the future must be learned not from the traditions of the changes introduced in England in 1834, nor from the idle theories prevalent in Ireland in 1838, but from a careful consideration of the present state of the poor and of the country in which they are to pass their lives.

The changes which I have recommended are of general application, but they are specially required for the widows and orphans of soldiers. The Patriotic Fund supplies only support but not control; the guardianship of each orphan family is entirely unprovided for. The consideration of the questions which I have raised ought not therefore to be postponed until the termination of the war. If the policy recommended is worthy of adoption, it is right that it should be introduced without delay

VII.—*Proceedings of the Dublin Statistical Society.*

EIGHTH SESSION.—THIRD MEETING.

The Society met at the Royal Dublin Society House, on Monday, the 29th of January, 1855, Thomas Harvey Todhunter, Esq. in the chair.

W. Neilson Hancock, LL.D. read a paper on "the Workhouse as a mode of Relief for Widows and Orphans."

Professor Leslie read a paper "On Maritime Captures and Commercial Blockades."

The Rev. Thomas Jordan was elected a member of the Society.

FOURTH MEETING.

The Society met at the Royal Dublin Society House, on Monday, the 19th February, Jonathan Pim, Esq. in the chair.

William H. Jemison, Esq. read a paper "On the Utility of Standing Armies as a means of defence in an advanced stage of civilization."

W. Neilson Hancock, LL.D. read a paper "On the Present State of the Savings' Bank question."

The following gentlemen were elected members of the Society:—Rev. Professor Jellett, F.T.C.D. ; Patrick Maxwell, Esq. ; James W. Kavanagh, Esq. ; Henry Dix Hutton, Esq. ; Michael Harrison, Esq. ; John Walsh, Esq. ; and David M'Birney, Esq.

FIFTH MEETING.

The Society met at the Royal Dublin Society House, on Monday, the 19th March, Lord Talbot de Malahide in the chair.

W. Neilson Hancock, LL.D. read a paper "On a plan for extending the Jurisdiction for selling Incumbered Estates to cases where a Receiver has been appointed over a Life Estate."

P. J. McKenna, Esq. read a paper "On Factory Education."

H. Wynne, Esq. read a paper entitled, "English Laborers and Russian Serfs."

Henry T. Wrenfordsley, Esq. was elected a member of the Society.

EXTRAORDINARY MEETING.

Immediately after the conclusion of the preceding meeting, an Extraordinary Meeting of the Society was held, for the purpose of considering certain alterations in the laws necessary for carrying into effect a transference to the Dublin Statistical Society of the business of the Social Inquiry Society of Ireland. The following terms of union, having been agreed upon by a joint committee of the two Societies, were submitted for the approval of the Statistical Society:—

1.—That the objects of the Statistical Society shall be enlarged, so as to include those of the Social Inquiry Society; and for this purpose, that the business of the Society shall for the future be the promotion of the study of Statistics, Political Economy, and *Jurisprudence*.

2.—That each member of the Social Inquiry Society shall, during the present session, be entitled to be admitted a member of the Statistical Society, without the payment of any entrance fee, and without ballot.

3.—That all the publications of the Social Inquiry Society shall be transferred to the Statistical Society, and shall be included in all future lists of its publications.

4.—That the balance of the funds of the Social Inquiry Society shall be transferred to the Statistical Society, for the purpose of commencing a Trust Fund in connexion with the Statistical Society; to be called the "Social Inquiry Fund."

5.—That it shall be part of the business of the Council of the Statistical Society to apply the Social Inquiry Fund, and all monies which may be added thereto, towards the promotion of scientific inquiries into social questions of public and general interest, in the same manner as the Council of the Social Inquiry Society are now empowered to apply the funds of that Society.

6.—That on these terms being adopted at a meeting of each Society, the Social Inquiry Society of Ireland shall be merged in the Dublin Statistical Society, and its existence as a separate Society shall cease.

Resolutions, embodying the above terms, were unanimously adopted by the Statistical Society.

VIII.—*Notices respecting Barrington Lectures.*

1. BARRINGTON LECTURES ON POLITICAL ECONOMY.

The Council of the Statistical Society will on Friday, the 11th of May, select the towns to which courses of lectures will be granted, under the Barrington Bequest, for the ensuing year. Applications for courses of lectures to be addressed, before the 10th of May, to the Secretaries, at 27, Summerhill, from whom further information can be obtained.

2. BARRINGTON LECTURERS ON POLITICAL ECONOMY.

The Council of the Statistical Society will on Friday, the 11th of May, elect the Barrington Lecturers for the ensuing year. Applications from candidates, with testimonials, to be addressed before the 10th May to the Secretaries, at 27, Summerhill, from whom further information can be obtained.

IX.—*Corresponding Societies in connexion with the Dublin Statistical Society.*

<i>Corresponding Societies.</i>	<i>Corresponding Officers.</i>
1. Ardee Mechanics' Institute.....	F. O'Rourke, Esq.
2. Armagh Natural History and Philosophical Society.....	Francis Horner, Esq.
3. Belfast Working Classes Association	A. Walsh, Esq.
4. Belfast Queen's College Literary and Scientific Society.....	Robert Taylor, Esq.
5. Belturbet Literary and Scientific Society	Michael Phillips, Esq.
6. Coleraine Mechanics' Institute	
7. Cork Cuvierian Society	George Boole, LL.D.

*Corresponding Societies.**Corresponding Officers.*

8. Cork Literary and Scientific Society	Alderman Richard Dowden.
9. Downpatrick Mechanics' Institute	Henry Montgomery, Esq.
10. Drogheda Mechanics' Institute	William Leonard, Esq.
11. Dublin Mutual Improvement Society	Joseph Williams, Esq.
12. Dandalk Mechanics' Institute	John Browne, Esq., M.D.
13. Garvagh Scientific Society	Robert Robertson, Esq.
14. Kilkenny Literary and Scientific Institution ..	Rev. James Graves.
15. Killyleagh Literary Society	Rev. Andrew Breakey.
16. Kilrea Literary Society	George M'Gonigle, Esq.
17. Lisburn Literary Society	J. Kelso, Esq., M.D.
18. Lurgan Literary Society	William Shaw, Esq.
19. Mountmellick Mutual Instruction Society	Samuel B. Pim, Esq.
20. Newry Institute	Charles Jennings, Esq.
21. Royal Galway Institution	Professor Moffet.
22. Wexford Mechanics' Institute ..	Thomas O'Leary, Esq.
23. Banbridge Literary Institute	J. Clibborn Hill, Esq.
24. Dungannon Society for promoting Science, Literature, and the Arts	Rev. William Quain.
25. Portaferry Mechanics' Institute	Charles Todd, Esq.
26. Enniskillen Literary Society	George Shaw, Esq.
27. Limerick Social Inquiry Society	William Lysaght, Esq.
28. Ballynahinch Literary and Scientific Society...	William C. Shaw, Esq.
29. Carlow Mechanics' Institute	J. Hancock Haughton, Esq.

The literary and scientific societies and mechanics' institutes in Ireland are invited to form a connexion with the Dublin Statistical Society similar to that which exists between the Society of Arts and the literary and scientific institutions of England. The following are the regulations of the Council on the subject, under which the above societies have been for some time in connexion with the Statistical Society:—

1. Each society, recommended for selection as a Corresponding Society, is required to forward the name of one of its members, to be the means of communication with the officers of the Statistical Society.

2. The Corresponding Officer, nominated by each Corresponding Society, is entitled to attend each meeting of the Statistical Society, to issue a ticket for one visitor at each meeting, and to apply for permission to present papers to be read before the society. He is also entitled to two copies of all the publications to be issued by the Statistical Society, which are sent to any address in Dublin that he may appoint.

3. Corresponding members are not liable to any subscription to the Statistical Society, nor entitled to any vote at its meetings.

4. Each Corresponding Officer is expected to deposit one copy of each publication of the Statistical Society in the library of the Corresponding Society, keeping the second copy for lending to its members.

5. Each Corresponding Officer is expected to furnish to the Secretaries of the Statistical Society two copies of the laws of the Corresponding Society, and of all annual reports and other publications issued by it.

JOURNAL

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Dublin

STATISTICAL SOCIETY.

JULY, 1855.

I.—*On the effect of the limitation of Parliamentary Title to Ireland, in promoting purchases of land by English and Scotch Capitalists.*—
By W. Neilson Hancock, LL.D.

[Read 21st May, 1855.]

GENTLEMEN,

When the sales of land first took place under the Incumbered Estates Act, it was expected that there would be a very large number of English purchasers. So strong was this impression, that one of the Commissioners was selected from the conveyancing bar in England, with a view no doubt to give confidence to this class of purchasers. This expectation was founded on two economic fallacies; first, that Ireland was suffering from a want of capital; and secondly, that it required a very large amount of capital to buy incumbered estates.

The first of these fallacies I endeavoured to expose in a paper read before the the British Association at Ipswich in 1851, and published in the Transactions of this society. The second fallacy admits of an easy refutation. If we only reflect that the incumbrances on land in Ireland are generally held by Irishmen, under such circumstances the more incumbered the estates are, the less capital is required in the aggregate to purchase them. The produce of each sale being applied in paying off incumbrances, sets free nearly as much capital as is absorbed in the purchase.

As capital was really abundant in Ireland, and as the incumbrances were chiefly held by Irishmen, it naturally followed that they should be the chief purchasers. Still the competition of En-

lish and Scotch capitalists was in the first instance much less than the low price of land appeared to justify. This arose no doubt from the disturbed state of Ireland in 1848, from the repeal agitation of the years immediately preceding that period, and from the agrarian crimes which had from time to time prevailed to an alarming extent in particular counties in Ireland.

The events of the past few years, exhibiting a cessation of crime and of agitation, have already changed the views of English and Scotch capitalists; and as the earlier purchasers of estates have realised large profits, the tendency now is towards increased competition for land. This tendency is much favoured by the high prices of agricultural produce.

The proceedings of the Incumbered Estates Court have proved in a remarkable manner the correctness of the views of the economists, as to the effect of parliamentary title in increasing the attractiveness of land as an investment.

The parliamentary title is besides peculiarly suited to a capitalist who buys with a view of being able to sell again, if the exigencies of his trade should lead him to require his capital, or if some more advantageous investment should turn up.

The incumbered estates' jurisdiction, by bringing land so readily and in such quantities into the market, must make the supply of saleable land greater in proportion to the demand for it in Ireland than in a country where such a jurisdiction does not exist.

As long, therefore, as this jurisdiction is not extended to England and Scotland, land having the same advantages in all other respects must, from this cause alone, be cheaper in Ireland than in other portions of the Empire.

The effect of this relative cheapness, and of the attractiveness of parliamentary title, is to expose Irishmen to an unfair competition in buying land here, and to offer a bounty to Englishmen and Scotchmen to buy in Ireland rather than at home.

The extension of an incumbered estates' jurisdiction, and of a parliamentary title to England and Scotland is as much required for the benefit of those countries, as it is in justice to the occupiers and purchasers of land in Ireland. The chief causes which led to the introduction of the Incumbered Estates Court in Ireland are in full operation in the Highlands of Scotland. There we have to the present day such chronic distress and such an incumbered proprietary as existed in Ireland before the famine. Then in England the desire for improved habitations amongst the working classes, and the want of a place to invest their savings, have led to building societies and freehold land societies. The desire for purchasing land thus indicated cannot be satisfied, nor the benefits to the poor realized, unless sales are made secure and transfer cheap by judicial sales and parliamentary title.

Under such circumstances, it is manifest that the bounty or inducement which the present state of the law holds out to Englishmen and Scotchmen to purchase in Ireland, is in every way opposed to public policy. The duties of property are more likely to be zealously and efficiently discharged by a resident, acquainted with the character and feelings of the people, than by a stranger. In all

the arguments on the absentee question, it never was proposed to create a bounty on absenteeism.

II.—*Maritime Captures and Commercial Blockades.*—By T. E. Cliffe Leslie, Esq. Professor of Jurisprudence and Political Economy in the Queen's College, Belfast.*

[Read January 29th, 1855.]

THE chief object of this paper is to point out the system of maritime war by which the resources of this country will be least impaired by the contest in which it is engaged, and most effectively employed in bringing it to a successful issue. But although the questions involved must be discussed with especial reference to our present national interests, there will be occasion to show the necessity of bearing in mind that they are also questions of permanent importance in international jurisprudence. The rules of that jurisprudence have established a difference between the liability to capture during war of private property on land and at sea.† This distinction is generally defended on the grounds—first, that the citizens of an invaded country are regarded as subjects of the victorious state, and protected accordingly, but that as the capture of merchant ships does not subjugate the hostile state, as the taking possession of its territory does, the property in them is not entitled to similar protection; secondly, that in maritime hostilities there is no mode of obtaining victory and compensation by the seizure of public revenue, and in order to weaken the naval power of the enemy, it is necessary to attack his commerce and merchant navy.

To the first of these arguments it seems a sufficient answer, that for many centuries private property on land has been respected in the case of military operations in an enemy's country, for strategical or political purposes, without any design of permanent conquest; and has, indeed, been least respected where the latter has been the object—as in Napoleon's wars; nor would it be regarded as a justification of pillage, that the sovereign of this pillaging army had no intention of reducing the inhabitants into subjection to his crown. The second argument assumes the very proposition at issue, that it is the interest of a great maritime power to exert its naval force, for the purpose of destroying not only the enemy's fleets and marine fortifications, but also his commercial intercourse with other countries. Besides, a military power might claim the same justification for confiscating all the property belonging to its enemy's subjects which its armies could reach, asserting that it was done for the purpose of bringing the war to a conclusion by diminishing the enemy's resources, abstracting his means of taxation, and convincing his subjects of the impolicy of continuing the contest. This argument may indeed be used with much greater

* This paper has been abridged for the press.

† *Alison's History of Europe*, chap. xxxiii.

force in the case of military than naval operations, for a victorious army can spread ruin through a country, and make war support war, in a manner impossible in maritime warfare. This is very clearly exemplified by Alison, in his account of the advantages which the French armies derived from their mode of making war in the Peninsula, and the difficulties to which the English were exposed from theirs. The historian adds, however, that honesty is the best policy in the end, and "the same moral law applicable to the private villain, and the public robber;" and in another passage observes, that "in warfare it is of the utmost importance that no attacks should be made, except upon public property or merchandize afloat, and that the piratical system of threatening with destruction a city not fortified, if it does not redeem itself by a contribution, should be avoided."

But upon what principle is it justifiable to seize the entire property of a merchant when on sea, while it is a "piratical system" to exact even a contribution if it happen to be on shore? What "moral law" sanctions the former, while it pursues the latter with an inexorable Nemesis? It cannot be upon higher ground than its expediency, that any one will defend the distinction. Its expediency is therefore the chief subject of our inquiry.

At the outset it must be perceived that there is an objection to the capture of private property at sea quite peculiar to this mode of attacking the resources of an enemy. For it involves this dilemma, that if his subjects are permitted to export and import in neutral vessels, and only liable to capture in their own, provision is made by the system itself for defeating its object to a great extent. If, on the other hand, neutral merchants are prevented from carrying on the commerce of the enemy, and acting as agents on his behalf; if they are exposed to all the vexation and loss attending the promiscuous seizure of merchandize belonging to a state with which their own country is at peace; and if, added to this, their country is deprived of commodities which it has been accustomed to consume, or of a lucrative trade, it is the inevitable consequence that the system is likely to add to instead of diminishing the enemy's resources, through the active alliance of some, and the sympathy and moral support of other previously neutral states.

In this dilemma the British government was placed at the commencement of the present war. It could not be forgotten then, that at the commencement of this century all the maritime states of the civilized world were at one time in arms against Great Britain, on account of the rigour with which she enforced the ancient usages of hostilities at sea; nor could the suffering and ruin occasioned by the American Non-Intercourse Act of 1811 be forgotten, followed in the next year by a sanguinary contest. In 1853 the value of our exports to America had risen to nearly £24,000,000; and even the loss of this market would by no means represent the entire loss arising from a rupture of commercial relations with the United States, for we import from them the most important materials of our trade with the whole world.

Nor are indications wanting that a bitter recollection of the beligerent rights formerly asserted by Great Britain survives in the

American mind. (See the President's message to Congress in December last.)

The British government had therefore strong political reasons for modifying the ancient usages of maritime warfare, and these reasons were supported by others founded on our commercial interests.

"We have only," says the *Economist*, "to name the articles of our import trade with Russia, in order to show its enormous value, and its primary importance to the manufactures and general trade of this country. They consist chiefly of grain, tallow, linseed, bristles, flax, hemp, sheep's wool, iron, copper, and timber. We receive from Russia more than nine-elevenths of the bristles we import, about three-fourths of the flax, nearly two-thirds of the hemp, five-sixths of the linseed, and five-sevenths of the tallow."—*Economist*, February 18th and 25th, 1854.

The relative loss which would have ensued to Great Britain and Russia from stopping the import of these commodities may be exemplified in the case of one of them. Prior to the war, Russian flax formed one half of the total quantity, home-grown and foreign, used in British manufactures. All that Russia could lose, if deprived of the British market, would be the price of the raw material for the present, still having it to sell on the first opportunity; while to Great Britain, the loss involved would be not only the much higher value of the manufactured fabric, but perhaps the ruin of the linen manufacture, in which so much capital has been sunk, to which so many operatives have been trained, and by which so many families are supported. If half the usual supply of flax were withdrawn, the other half could not be profitably manufactured. The British linen manufacturer is exposed to the rivalry, not only of the linen manufacturers of America, Germany, Belgium, and Russia itself, but of the cotton manufacturers both at home and abroad. The price of British linens could not therefore rise so as to compensate for a great increase in the price of the raw material. Besides, it is well known that the less the quantity of any material worked up in a manufacture, the greater is the cost of manufacturing each portion of it. And the sites of manufacture move to the cheapest places of production. So our linen manufactures would perish to deprive Russia of a single market, while the Russian grower would not lose other markets, and the British grower would be deprived of much of the necessary supply of imported flax seed. The injury to Russia would be trifling and temporary—to this country heavy and permanent. That it would be permanent we may learn from the results of the rupture of commercial relations with America in 1811. "A lasting injury," says Alison, "has been occasioned to British manufacturing interests by the forcible direction of American capital and industry to manufactures. Another evil has arisen from the jealousy and animosity against this country, which have thus been engendered in the very States that, when the rupture commenced, were most warmly attached to our alliance."

It has, however, been contended, that in war every national interest becomes subordinate to the one paramount object of distressing and weakening the enemy. We can afford to lose infinitely more than Russia; we are therefore called upon to fire upon both

friend and foe, and to involve in one common ruin—not, indeed, the soldiers of both armies, as the Russians are said to have done at Balaklava—but the peaceful merchants of both countries, and the families dependent on them for support. To this, however, there is one fatal objection. It could not be carried out. No human ingenuity could devise means of preventing the productions of Russia from finding their way into foreign markets and our own ports. Certificates of origin have been proposed; but what difficulty would there be in obtaining neutral certificates, and what possibility would there be of distinguishing the hemp, flax, linseed, and tallow of Russia from similar produce of other countries?

The impossibility and the impolicy of entirely excluding Russian imports, and the danger of embroiling ourselves with neutral states, were considerations which the Government could not overlook. But the value of our export trade with Russia seems to be universally underrated. It is true, our annual exports to that country have not reached latterly the value of £2,000,000; but the difference has been paid in the products of our colonies, such as sugar and coffee, so that the cessation of all trade, direct and indirect, would involve a proportionate diminution of our exports to the colonies, and the market for colonial produce.

Thus it has happened that while nothing has been done by governments during nine and thirty years of peace to civilize by conventions the laws of war, which have come down from a time when there was never peace for commerce, and the pirate's occupation was more honorable than the merchant's, peace has itself made laws for war, by creating international interests which warfare cannot destroy.

The orders in council of last spring, introduced three important changes into the practice of maritime hostilities,—the abandonment of privateering, the practical adoption of the maxim that “free ships make free goods,” and the sanction of indirect trade with the enemy. (See the order in council of the 15th of April, 1854.) But the old system has remained in force to a great extent, by means of the restrictions on neutral trade with the enemy's ports, in consequence of the blockades in the Baltic and Black Sea, and the retention of the right to capture enemy's goods in enemy's ships. What effect then have the blockades and captures of 1854 had upon our resources and those of Russia? No one pretends that the prizes taken in the Black Sea, or the stoppage of the supply of corn from Odessa, have added to our strength or perceptibly diminished that of the enemy. Let us look then at the operations in the Baltic. In consequence of large importations before the blockade there commenced, the statistics of our imports and trade in 1854 do not sufficiently enable us to estimate the results of having to draw our supplies of flax, hemp, tallow, linseed, bristles, timber, either from Russia itself overland through Prussia, or from more distant places; in either case of course at greater expense. It was however supposed that the increased cost of transit would be partly met by lower prices to the Russian producers. As far as we can obtain statistics, however, it would appear that, during the blockade, at least as high prices were obtained in Russia for the produce in question as before

the war. And as we must always pay in addition to those prices the cost of transit to Great Britain, we should not have so much reason to rejoice at a fall of price, which would give an advantage over our manufacturers to those of the continental states adjoining Russia, and of Russia itself.

It has however been argued, that the higher prices paid by this country for the articles for which it had previously been chiefly dependent upon Russia, have attracted supplies from other places, and tend to raise up new and flourishing industries in our colonies and dependencies. If this were true to any considerable extent, the result would be decidedly mischievous; for unless the political economy we have sought to teach other nations be false, it is most unwise to divert production from its natural course by artificial prices. And what would be the consequence, on the return of peace and Russian imports, to those new industries? Must it not resemble the effect of the sudden repeal of a high protective duty? But in fact we continued during the blockade to derive principally from Russia the same commodities as before, in smaller quantities and at higher prices. More hemp and linseed, we are indeed triumphantly told, were imported in the month ending December 5th, 1854, than in the corresponding month, 1853. But the blockade was then raised, and the returns of the preceding months of each year show a very different result. And it is not the supply of such a commodity as hemp that will fall off first in any war waged by Great Britain; for being essential to naval operations, it must be obtained at any cost. It is elsewhere the privation will be felt. (The paper, as read, contained here some statistics and facts, showing the actual effects of the blockade upon the trade of the United Kingdom in 1854.)

Moreover, when we examine the effects of the blockades and captures of 1854 upon the resources of Great Britain and of the Russian empire, we must take into consideration not only the results to our manufacturers and trade, but the cost of maintaining an enormous fleet to produce such insignificant results as have been obtained, and the distraction of our admirals' energies, and the powers of our navy from the direct operations of war. We captured, during the blockade in the Baltic, 92 vessels, of which "those belonging to Russian subjects were chiefly the property of small traders, and the loss fell upon an uninfluential portion of the population;" while a considerable number belonged to the merchants of other countries. It is however asserted that we entirely stopped the supply of salt and coal which the Russians were accustomed to receive through the Baltic. But in the Russian dominions there are inexhaustible salt mines and brine springs, and remarkable facilities for internal transport by rivers and canals in summer and sledges in winter; and it is upon the poorest subjects of the Czar that the privation of salt, from a rise in its price, or cessation of the supply along the coasts, would fall. Can it be supposed that their privations would move the resolution of the Czar?

As to coal, De Custine tells us that birch-wood was the only fuel used in St. Petersburg when he was there in 1839; so probably its inhabitants could subsist on wood fires through two or three winters now. Coal is certainly necessary for a fleet of steamers, but the less

Russia expends upon naval operations in a war with Great Britain and France, the better for herself.

It is often assumed that their privations will make this war unpopular among the subjects of the Czar. But what evidence have we of this? Is the possession of Constantinople an object of national or merely of imperial ambition in Russia? Allusion has been made as the assassination of the Emperor Paul in 1801. But there is no parallel between that crisis and the present. Paul was believed to be insane and unfit to govern. He had deeply offended his nobles by a sudden alliance with the revolutionary government of France, and by various acts of atrocious tyranny. Nor were there then the facilities for overland trade, by means of which Russian produce now finds its way into foreign ports in spite of "effective blockades." "There are," says the *Economist* of the 20th inst., "great differences of opinion as to the injury done governments by the stoppage of trade, but it is evident from the case of the Finns, that this mode of carrying on the war exasperates the suffering individuals, and very often makes them transfer their indignation from their own government to the government which is the immediate cause of their annoyance." This remark is perhaps entitled to the more weight, as that journal appeared during last year to favor stringent restrictions upon Russian commerce. It has indeed been admitted on all sides, that the blockades and captures of 1854 effected little towards such an impoverishment of the resources of Russia as could seriously embarrass the Czar in the prosecution of the war. Quite opposite conclusions have been drawn as to our policy during its continuance.

There are three courses which may be taken, should it be thought expedient to alter the regulations in force under the orders in council of last spring. First, the Government may revive the right to capture enemy's property in neutral vessels. The objections to this course need not be repeated; but it may be here remarked in reference to the restrictions in force last year, that the more effectually they are carried out, the more nearly they approach to the ancient system, and tend to produce the evils to our trade and our relations with neutral states, on account of which that system was abandoned. And the wider the surface over which we extend our endeavours to suppress the commerce of the enemy, the greater the distraction and dissipation of our naval power.

A second course which the Government has been called upon to take is, to stop the overland Russian trade by a blockade of the PRUSSIAN ports. That so monstrous a proposition, so flagrant a violation of international law should be entertained for a moment, affords a melancholy example how one false principle leads to another, and how completely the passions kindled by war blind our perceptions of our true interests, and of the limits of our power. Could the Czar's invasion of the principalities be excused upon a more shameless pretext? Should we diminish the proportion of his power and resources to ours, by arraying on his side the armies and resources of Prussia? Is it an object of British policy that the armies of France should march to the Rhine? Or can any one suppose that a blockade of the Prussian ports would prevent the produce of

Russia from finding its way by the railway and the Elbe to our own?

There is still a third course which we may take. This is to assimilate maritime warfare to hostilities on land; to abandon the right of capturing private property other than contraband of war, holding it equally sacred in the ships of our enemy's subjects as in their fields and houses, and to blockade only in the case of a maritime siege, or in order to intercept supplies manifestly intended for military and naval use; i. e. in fact, to establish only military as distinguished from commercial blockades.

In order to carry out this system, it would not be necessary to permit the merchant-ships of Russia to enter our ports without restraint. Direct trade between Russia and British ports might be deemed inexpedient, even if commercial intercourse through neutral ports, or under other restrictions as to the place and manner of communication, should be permitted.

It is commonly supposed that a state of war is essentially inconsistent with commercial intercourse of any kind. But does any one suppose it to be contrary to the nature of war, for British subjects to buy Russian commodities in the Crimea, and to give the subjects of the Czar a handsome profit on what they sell? As to maritime commerce being inconsistent with maritime war, that is the question at issue. Persons may found their notions of war upon the usages of the ancient Greeks, who put to death the crews of the merchant-ships of their enemies; or upon the state of civilization and of political and military science in the latter half of the nineteenth century of the Christian era. The orders in council of last spring legalised indirect trade with the enemy's subjects, which appeared to Lord Stowell utterly inconsistent with the legal theory of war. Yet even Lord Stowell admitted that "there may be occasions on which commercial intercourse, which is a partial suspension of war, may be highly expedient."—*The Hoop*, 1 Rob. 196. And in Lord Stowell's time, direct trade between France and England was frequently licensed by the governments of both countries, in the midst of the most furious hostilities. But special licences to particular traders are open to many objections. They create monopolies, occasion many frauds, and do not secure the licensed merchant from capture by the enemy's cruisers, but only by those of his own country and its allies.

Much confusion of ideas has arisen from the application of the term enemy to the whole population of a hostile state, as, for example, in the old maxim that "enemy's ships make enemy's goods." A use of words originating in actual facts and customs becomes often in after times an abuse of words, which tends to perpetuate facts and customs that would otherwise be repudiated with horror. To treat all the subjects of the enemy as enemies would be to abandon all distinction between combatants and non-combatants, would make the war of civilized nations that of savages, and would legalize the barbarity of the Russian soldiers in putting their wounded prisoners to death, on the ground of military expediency, as our soldiers are fewer and more valuable than theirs, and they lose by an exchange of prisoners.

There was formerly a valid reason for excluding an enemy's sub-

jects from all communication with our own, viz. that information might be obtained which the enemy might turn to political or military account. But it is idle to talk of excluding information by such means, in the days of the electric telegraph and the press of 1855.

It has, however, been argued that merchant-ships may be used by the enemy as transports and munitions of war, and are, therefore, properly subject to confiscation as contraband of war. It is very desirable that the doctrine of contraband of war should be defined by international convention. But even according to the stringent rules of our maritime courts in the last war, it is not the possibility of a future use of a thing for hostile purposes, but its obvious and immediate destination that makes it contraband. Otherwise every commercial commodity would be liable to be treated, on all occasions, as contraband of war; for there is not one which human ingenuity or necessity might not, under some circumstances, turn to account for offensive or defensive purposes, or for assisting an attacking or resisting force.

It need not be supposed that Great Britain would stand alone in an endeavour to abolish the capture of private property at sea. The last message to Congress of the President of the United States affirms that the states "will readily meet the leading powers of Europe on this broad ground;" and so long ago as 1785, Franklin declared that the United States offered "to conclude in all their treaties with other powers, an article solemnly engaging that in case of a war, unarmed merchant-ships on both sides shall pursue their voyage unmolested." And hitherto every other European state has shown more disposition than Great Britain to soften the laws of maritime war.

It is indeed but natural that other states should seize every opportunity of securing their commerce against our superior naval power. Yet surely the British islands, dependent for their resources upon commerce, and with unfortified harbours all round their coasts, could have few better defences against the contingencies of war, than a rule of international law that the merchant-vessels and unresisting towns should be safe from plunder. It is true, our fleets seem sufficient to protect our shores and trade from Russian hostility; but is it wise to found our views of international policy upon our present position with regard to Russia? Are hostilities with the United States and the use of swift American privateers out of the question? Could no change in the employment of the French navy result from the death of the present emperor, or the course of political events? What effect would another American non-intercourse act have upon the position of Great Britain? And what laws of maritime war would be for our interests in a contest in which we should be neutral, and France, Russia, and America belligerents? But the maxims of political wisdom are not called into the councils of belligerent nations. The tactics which seem fittest in an angry hour are adopted as the basis of permanent legislation for national interests and international rights. We are tempted by every prospect of inflicting injury on an enemy's country, without regard either to the immediate or ultimate consequences

to ourselves, and without reference to the sentiments and rights of neutral states. If we could utterly destroy the foreign trade of Russia, we should turn friends into furious enemies, we should inflict permanent injury upon our own commerce and maritime power, and we should do more to render the present and every future war, however just, unpopular in this country, than any amount of suffering we could entail would do in Russia. The gradual impoverishment of some of the Russian provinces would be felt by ourselves, on the return of peace, in the loss of customers and materials for our trade; but it is not the course by which to reduce speedily and effectually the military power of the Czar. His naval power, it is said, must be crippled by the suppression of the maritime commerce of his empire. His naval power may be much more promptly suppressed by more direct means. And the facts of this war have amply verified the observation of a statistician many years ago, that "any attempt on the part of Russia to cope with the great naval powers, would be a most improvident waste of the national resources." So, too, De Custine has observed: "the English call a vessel of the royal navy a *man-of-war*. Never thus will the Russians be able to denominate their ships of parade, their *men of court* or *wooden courtiers*."

Both Russia and England have fallen into an error as to the mode in which the battle between tyranny and civilization must be fought. The former has wasted an enormous outlay upon ships of war which she has been obliged to convert into awkward harbour-booms and land batteries; and the latter has employed a fleet of steamers of the largest size, to capture a few cargoes of salt, some belonging to the poor Finns, and some to the Swedes and Danes. Had Great Britain, from the moment that war became imminent, concentrated all her energies and resources upon the measures necessary for conquests on the northern shores of Russia, and the capture of Sebastopol, these results would have been obtained with far less sacrifice of our heroic soldiers, while they would have tended to quench the lust of conquest, and belief in their destiny to overcome the world, which animate the Russian people, without severing the only tie that connects the empire to which they belong with the peace and interests of Europe. That tie is commerce, yet it is especially on the men who have framed it that we are told the burden of war should fall. Why should one class, which has done more than all others to promote peace, be called upon to make unparalleled sacrifices in war? "The political system of Russia," says De Custine, "could not stand twenty years' free communication with the rest of Europe." And who have been the missionaries who have labored to diffuse civilization through the farthest provinces of the Russian empire? Who but the merchants of the world, most of all of Great Britain, and not least of all of Russia herself; and yet it is on them that the chief cost of a Russian war upon the liberties of Europe is to be inflicted! Who but her merchants have won for England her maritime power, her high place among nations, and the might with which she can do battle in a just cause? And have they only established a claim to be the chief sufferers in every struggle?

Let no provocation tempt us to snap the ties that connect us with the peaceful subjects even of hostile and despotic states; let us seek in political science instead of in the usages of former wars our views of national policy and international law, and we shall become a greater, a more secure, and a more honoured people than by the ruin of the Russian empire.

III.—*The Relative Expediency of defraying the expense of War by Loans or by Increased Taxation, considered with reference to the present financial system of the United Kingdom.*—By Richard Hussey Walsh, LL.B., Professor of Political Economy in the University of Dublin.

[Read 16th April, 1855.]

HAVE WE A RIGHT TO TAX SUCCEEDING GENERATIONS?—When discussing the relative expediency of defraying extraordinary public expenditure by loans or by immediate taxation, it is sometimes sought to dispose of the question *in limine* by denying the right of an existing community to shift their pecuniary liabilities on those who come after them. But in this it is overlooked that in the political struggles which give rise to national debts, future as well as present interests are generally involved, and often to a greater extent. For instance, if the war now in progress had not been undertaken, and Russia allowed to go on in the ambitious career she is said to have marked out, a considerable time must have elapsed before she could have sufficiently extended and consolidated her power as to be in a position to endanger our territorial possessions or interfere with our commerce. The next and succeeding generations would be far more exposed to such injurious results than the present, and accordingly the expense of the war must be deemed to be incurred rather for their protection than our own. Should it, therefore, be found necessary to make them bear a part of it, they can have no just reason to complain.

UNDER OUR OWN FINANCIAL SYSTEM IS IT ADVISABLE TO DEFRAY A LARGE AMOUNT OF EXTRA EXPENDITURE BY IMMEDIATE TAXATION EXCLUSIVELY?—It is one thing to maintain that future generations may justly be burthened with a national debt, and quite another to assert that it is advisable to meet extra public expenditure by borrowing rather than by increased taxation. Prudence dictates that present liabilities should be satisfied by immediate sacrifices on the part of the people, and the resources of the future left free and unincumbered to bear whatever demands on them may arise. To carry out this principle in financial administration would be in itself extremely desirable; but occasionally it may be impossible to pursue such a course, and even were it otherwise, there might be countervailing disadvantages which merit our serious attention. I do not intend entering upon all the questions arising in connexion with this subject; but I shall confine myself chiefly to one which stands particularly in need of development, because, although the circumstances on which its importance depends possess little novelty,

their relation to the object of the present discussion has not hitherto received that degree of consideration to which it is entitled.

It is an admitted principle that taxes should press equally on the members of the community in general, and not on a portion of them alone; and if we find that consistently with this, a large increase to the public revenue cannot be acquired immediately, we establish a very strong objection to the practice of always raising the supplies within the year (as it is called) no matter how great may be the demands on the national resources.

Were all the public revenue derived from direct taxation, and were this adjusted on a satisfactory basis, it might be increased or diminished as required, without any one having just reason to complain he was treated worse than his neighbours; but our financial system is not of this simple nature, and there are very good reasons why it should not be so, which will be mentioned farther on. Our system is a mixed one, the public revenue being partly derived from taxes levied directly, such as the income-tax, probate and legacy duties, and some others; and partly from those imposed indirectly, the principal of which are the customs and excise. So much of it as is derived from the income-tax and other direct taxes might be increased at once to any given amount, by raising the rate in a corresponding proportion. The expense of collection becomes little, if anything, greater than before; and as the chief part of the duty is derived from property whose value can be pretty accurately tested, the temptation to evasion, which is naturally augmented when the rate is made higher, is not likely to cause a considerable loss to the revenue. It can only cause any in that portion of the income-tax which comes from the profits of trades and professions, and that is small compared with what is derived from realised property, salaries, and other classes of revenue whose amount it is equally easy to ascertain.* But unless we can increase at the same time and in the same proportion the produce of indirect taxation, we violate whatever equality had been originally approximated to by the combination of direct and indirect taxes; and make such persons as pay income-tax bear much more than their fair share of the expenses of the war. Let us see, therefore, if the revenue furnished by the customs and excise can be increased with that certainty and rapidity which the wants of the public service in time of war may render necessary.

* The returns for 1853 show the annual value of the property assessed to the income-tax in England and Scotland to be as follows:—

Schedule A, (Lands, houses, &c.)	£105,500,000
„ B, (Profits of occupation)	48,000,000
„ C, (Funds)	26,400,000
„ D, (Trades and professions)	65,700,000
„ E, (Profits of office)	11,600,000
	<hr/>
	£257,200,000

Hence those persons assessed under Schedule D, who alone have any facility for defrauding the revenue by representing their means as smaller than they are in reality, pay but about a fourth of the entire income-tax. I am not aware that this proportion has been sensibly altered by the recent extension of the tax to Ireland, and to all persons whose incomes range from £100 to £150 per annum.

It is an old saying that in the arithmetic of the customs two and two don't always make four—an adage which applies equally to the excise,—the common effect of raising the rate of taxation in either case not being to augment the public revenue in a corresponding degree, but even to diminish it in some instances, the resulting advance in price checking the consumption of the taxed article and encouraging smuggling or illicit production ; and rarely, if ever, to increase it to the same extent as the rise in duty, or to any extent which can be calculated on with precision beforehand. It is a nice problem in financial administration to ascertain the rate of duty which will produce the maximum amount of revenue from any commodity, or indeed, any fixed amount which it may be desired to raise. The process by which either can be ascertained is chiefly experimental, and requires much time for its completion. Hence we cannot by indirect taxation easily raise much of the revenue which may be required to meet the heavy, sudden, and urgent demands of war, unless the duties previously had been at a very low rate indeed ; and if any doubt were entertained on this head, I might refer to the financial annals of the country during the early part of the present century, when the successive augmentations in the customs and excise, introduced from time to time by different chancellors of the Exchequer, Mr. Vansittart in particular, were attended not only without any increase of revenue, but often with a positive diminution. And when the attempt to raise supplies in this manner turns out a failure, it gives rise to additional evils both moral and economical. For if the revenue be not augmented in proportion to the rise in duty, it can only be because less of the taxed article is produced, or part of what is consumed escapes the collector. Hence part of the capital previously employed in its acquisition must either remain idle, or be transferred to some other occupation—a proceeding necessarily attended with trouble and loss ; or we call into activity the smuggler, the illicit distiller, and the like ; or, what is most probable, we occasion a combination of all these evils.

It is true, that were the taxes of a country adjusted at a very moderate rate, a considerable increase of revenue from the customs and excise might be obtained by raising the duties, and no great danger incurred of checking consumption, interfering with capital, and encouraging smuggling and illicit production ; but the financial necessities of the United Kingdom do not permit the arrangement of our taxes on such a footing. And even if they did, it may be questioned if, in time of war, when the demands of the army, navy, and militia interfere with the labour market, and a partial cessation of commerce between the belligerent nations causes a certain amount of stagnation in trade, the pecuniary circumstances of the people are in such a condition as to render it advisable to subject them to very heavy extra burthens. But, independently of this last objection, which applies to every species of tax, it is tolerably plain from the preceding, that situated as we are we cannot safely calculate on any very great increase of revenue from customs and excise to enable us to carry on an expensive war. And since these are the duties which fall on the people generally,—while the income-

tax and other direct taxes, which alone are susceptible of affording a rapid increase, affect comparatively but a small number of people,—the question between raising the supplies within the year and adopting the loan system is really narrowed to this : are the expenses of the war to fall entirely, or almost so, on the few who pay income-tax, or should they not, on the contrary, be borne by the people at large ? There can be no hesitation, I imagine, as to how this question should be answered ; and accordingly we are justified in concluding, that while our present mixed system of direct and indirect taxation is continued, and the necessities of the state require that the revenue on ordinary occasions should press so heavily as it does on the national resources, the cost of an expensive war must be met, at least partially, by raising loans.

SHALL WE CONTINUE A MIXED SYSTEM OF DIRECT AND INDIRECT TAXATION, OR ENDEAVOUR TO RAISE ALL THE REVENUE BY MEANS OF AN INCOME TAX ?—This question suggests the consideration as to whether our financial system might not be thoroughly altered, all existing taxes abolished except the income-tax, and the latter so extended and modified as to embrace every kind of property, and reach every individual who at present contributes to the support of the state. Of late years, many have recommended a plan of such a nature, and among those who do so are several for whose opinion I entertain the highest respect. But the more I reflect on the subject, the stronger the difficulties appear to me of devising a general income tax which should be fair, and of collecting it afterwards from all classes of the community. The practice of nations, from the most democratic to the most despotic, affords no precedent for such a system of taxation, and the standard writers on political economy are also found opposed to it. Adam Smith* condemns it generally and unequivocally, under the name of a capitation tax proportional to the means of each contributor ; and Mr. McCulloch,† and Mr. J. S. Mill,‡ who treat of the subject of direct taxation at pretty considerable length, arrive at the conclusion that an income-tax should not be adopted as the sole instrument of finance.

A few years ago the question of financial reform was very much agitated, and of those who wrote or spoke on the subject very few were to be found agreed as to the mere conception of a fair income tax.§ This raises a formidable obstacle in the way of the proposed change in our financial system, as while the advocates of direct taxation are divided into so many sections, it can hardly be expected the public will defer to any one of the various theories they propound. And even supposing no such diversity of opinion existed, and that reasonable people were agreed as to what constitutes a fair

* *Wealth of Nations*, b. 5, chap. ii, art. iv.

† *Taxation and the Funding System*, part 1, chap. iv.

‡ *Principles of Political Economy*, b. 5, chap. vi. s. 1, 2nd edition.

§ A great number of the plans proposed for a perfect income or property tax are to be found in the Report of the House of Commons on the subject which appeared the year before last. To that of the actuaries, Mr. Gladstone assigns pre-eminence in impracticability. See pamphlet containing his financial statement of April 16th, 1853, p. 24. (Parker and Son, London.) It is also exposed to grave objections on the score of justice ; but in this respect it has many rivals.

income-tax, I contend, nevertheless, it should not be made to serve as the sole instrument of finance, since it would be found impracticable to collect it from persons of small means, such as are the majority of the population. But the aggregate amount of these small incomes is, as it is well known, very considerable; so that were they to be exempted, a great portion of the national wealth would be withdrawn from taxation, and the remainder over-taxed in a corresponding degree.

In order to make an income-tax reach the labouring classes generally, it has been proposed that employers should deduct it when paying them. Now any one on reflection can hardly fail to perceive how very inexpedient it would be to introduce this additional element of discord into the relations, not always of the most friendly or confidential character, which actually subsist between masters and men. Neither could this plan be adopted with respect to persons such as cottier tenants and tradesmen of various classes, who work principally on their own account and not for any master, receiving at once in the price of what they produce the wages of labour and profits of capital.

But to levy the tax immediately from the poorer and more numerous members of the labouring classes, in the same way as we now do from persons whose incomes exceed £100 per annum, would not answer either. Very many of these live, as the expression is, from hand to mouth, spending a little more or less according to the fluctuations in their income, and living in general quite up to it. Weekly earnings and weekly expenditure are the rule among the working classes; and to seek to subject them to half-yearly, or even quarterly bulk payments, to meet the calls of the Chancellor of the Exchequer, would be an invasion of their fixed habits such as they would not patiently submit to. Indirect taxes, falling on them as they do in the shape of the enhanced prices of some of the articles they consume, are not exposed to this objection. They are levied *pari passu* with expenditure, and enter, as it were, unconsciously into the weekly or even daily calculations of the labouring classes. This difficulty it might be attempted to get over by calling on the workman for the income-tax weekly and not half-yearly. But this would increase enormously the cost of collection, and so remove one of the principal arguments in favour of direct taxation. Besides, these weekly payments would involve the necessity of weekly investigations into the pecuniary affairs of the contributors, which could hardly fail to generate feelings of irritation on the part of those subjected to them, extremely dangerous to the peace of the country.

The difficulty of ascertaining a workman's income, should he not wish to disclose it, is another circumstance not to be lost sight of. The rate of wages in any particular locality may be known pretty accurately, but who is to tell how long each labourer has been at work, and how long out of employment? The person or persons with whom he has worked might be applied to for information if he chose to name them; but they might not be able to give it, and certainly in cases where the same man has been employed by several, no one of them could tell how long his labourer had been

working for others, and how long on his own account without having any employer over him but the public at large. In case of collusion between masters and men, it would, of course, be all but impossible to discover the rate and amount of wages. And it is to be feared there are many employers who would collude for such a purpose, rather than increase the difficulty of dealing with their labourers by placing themselves in the obnoxious position of rigid assistants of the tax collector.

Again, the roving habits of many of the working classes, and the want of publicity attending their movements, are also to be taken into account when deciding the feasibility of reaching them by an income-tax. There are some who might be assessed at one place to-day, and when the time of payment arrived, might be far enough off, without leaving the collector any clue to discover the railway, canal, harbour, drainage works or buildings, at whose construction they might then happen to be engaged.

From these considerations it is manifest that an income-tax is ill adapted to serve as an exclusive instrument of finance. If it be extended to all, it must prove extremely expensive to collect, and besides be so very vexatious to the majority of the working classes as to endanger the peace of the country, or at least accelerate fearfully the rate of emigration, which already, without any such incentive, is proceeding so fast as to excite considerable alarm. But if it be not extended to all, and still the entire revenue be raised by it, the incomes exposed to it will be greatly over-taxed, in violation alike of justice and expediency; and the danger of driving labour from the country be exchanged for the equally formidable evil of making capitalists and capital depart for other lands, where a less oppressive system of finance may be in operation. There are instances in history of states having gone to decay, or, at least, been fearfully injured, owing to the removal of the most intelligent and wealthy of the inhabitants, driven from the country by political injustice. A similar effect would doubtless be produced by financial injustice if carried to a great extent; and it behoves us, therefore, to take care not to introduce a system of taxation which might lead to so disastrous a consequence.

COMMON OBJECTIONS AGAINST CONTRACTING NATIONAL DEBTS.—We have next to consider if the loan-system be so objectionable as it is usually represented. One of the faults most commonly found with the practice of contracting national debts is, that by so doing we take from the capital of the country what we want for the war, and thereby check production, and lessen the means of paying wages. In other words, that by raising loans we do not really avert in the slightest degree the inconvenience which would be felt were the supplies obtained at once by increase of taxation, but merely shift the burthen on those least able to bear it—the men who live by the sweat of their brow. But in this there are two errors. In so far as the objection applies to the loan system, it is not peculiar to it, but extends likewise to every mode of providing for government expenditure on a large scale.* If a man lends £100 to Government,

* "That taxation should not encroach upon the amount of the national capital, is
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or pays it in the shape of increased taxes, in either case he is equally less able, by the amount of £100, to employ labourers himself, or furnish others with the means of doing so. It is said, however, that as the contributor to taxes loses for ever what he advances, he will exert himself to make up the deficiency by saving what otherwise he would have expended unproductively, rather than suffer his capital to be diminished or its accumulation checked; whereas the subscriber to a loan, being in a position to get back at any moment by a transfer of stock the amount he furnished to Government, has no such inducement to undergo the sacrifice of practising extra economy. But it does not follow that the contributor to taxes will be able to follow his inclination; and if the subscriber to a loan has not so great an inducement to save in place of what he advances, yet the very fact of his coming forward voluntarily to lend to the state, shows that he is better able than his neighbours to save if he pleases. It should not be forgotten that the desire to avoid lessening his capital is only one of the motives which lead an individual to accumulate. The desire to increase it so as to be enabled to profit by any advantageous field of investment that offers, is another, very powerful, and which is called strongly into operation by the attractive terms usually offered by the state when contracting a new loan.

The second error, to be found in the opinion that Government by borrowing diminishes, *pro tanto*, the means of carrying on production and employing labourers, appears when it is attempted to apply the objection to the case of a country whose industrial condition is like that of Great Britain. There are some who would seem to imagine that when Government seeks a loan, merchants and manufacturers dismiss those they employ, and shut up their counting-houses and factories, delighted to exchange the trouble of business for the ease and luxury of an extensive fundholder. This is simply absurd, and I mention it merely as an instance of the extravagant views occasionally entertained on the subject. But the objection, when rationally put, amounts to this: by borrowing, Government becomes a competitor in the money market with those who seek capital to be employed in production, and according to what it thence carries away, the less will remain for the support of industry. In so far as this applies at all, it also, as was shewn before, applies to the case of taxes; but from the peculiar industrial condition of England, it may be proved that this objection to contracting a national debt is entitled in her instance to little consideration. England saves capital enough not only to support her own industry, but also to advance the means of carrying on production in foreign lands, to make loans to foreign states, and to furnish wherewithal to promote the most extravagant industrial speculations both at home and abroad. It is the very abundance of riches that leads rational beings to make such foolish invest-

indeed of the greatest importance; but this encroachment, when it occurs, is not so much a consequence of any particular mode of taxation, as of its excessive amount." *Principles of Political Economy*, by Mr. J. S. Mill, b. v. chap. 11, sec. 7, second edition. This applies, as will readily be perceived, to loans as well as taxes.

ments, and we may be sure that when Government comes forward to raise a loan, men will not turn capital from employment in the work of production at home, but rather discontinue advancing the means of supporting unwise speculations and enterprises they never would have embarked in but for the want of a satisfactory field of investment, or else become less extensive holders of foreign stocks and shares.

The great difference between the effects on wages of employing wealth as capital, and expending it unproductively, results from this; that in the former case the labourers, in return for their remuneration, produce what will enable the capitalist to resume the work of production, and pay wages over again; while in the latter nothing remains to renew the fund for the maintenance of labour. It is all the same whether the expenditure be intentionally unproductive in an economic point of view, or become so from the failure of the industrial enterprise in which it was embarked. What is expended in the payment of soldiers, and in the purchase of warlike stores will not, it is true, produce any return to keep up the means of advancing wages to labourers; but had it been devoted to the opening of worthless mines, for example, or to any other profitless enterprise; or, finally, had it not been saved but merely employed as income, the consequence would be precisely similar. And it is also to be remembered that even when loans absorb what would otherwise have been employed as capital, it is not the poorer labouring classes alone who suffer by the transaction; but every one, be he rich or indigent, who would have taken part in the business; with the sole exception of the individual who furnishes to Government the capital diverted from the work of production.*

The objection against the loan system entitled to most weight is that, when once a national debt is contracted, it is rarely paid off; and thus the state goes on, from loan to loan, until at length its finances become hopelessly disordered. During the last century and a-half, a debt of about £862,000,000 has been funded in England, and of this, up to the year 1849, but £71,000,000 have been paid off; viz. £2,000,000 within thirteen years of peace, when

* Most persons cannot but be fully aware of this fact, but it is found convenient to overlook it, and rest their opposition to the loan system on the grounds of humanity. To those with whom philanthropy is a principle, and not a pretext, it must be very revolting and discouraging to see how frequently alleged sympathy for the poor is dragged forward by the political adventurer or the sophist, to support the most untenable propositions, and cry down all opposed to them. Protectionists talked as if engaged in defending the wages of labour from foreign competition, when in reality the greater portion of them were far more solicitous about the effects of free-trade on profits and rent. Those who have committed themselves to a project involving a disturbance of perplexing magnitude in the pecuniary accounts of the nation, by the substitution of tence for the pound as the unit of value, put themselves forward ostentatiously as the guardians of the poor man's penny against the attacks of the advocates of the only practicable system of decimal currency; and keep out of sight, as well as they can, the rather important circumstance that for those, like the poor, who make their bargains from day to day, and are not bound by contracts to endure for many years, a change in the money they employ produces but trifling and temporary inconvenience. And perhaps there is no question whose discussion is more frequently and unscrupulously embarrassed by reference to the supposed interests of the humbler classes, than the very one which forms the subject of the present essay.

George II. reigned; £10,000,000 in the reign of George III. from the peace of Paris in 1763, to the commencement of the war with America in 1775; and £10,000,000 more from the conclusion of that war in 1784, to the commencement of that with France in 1793; while about £49,000,000 have been paid from the battle of Waterloo up to 1849. Since then, a few more millions of the debt have been satisfied; but now we must look forward to a contrary state of things. It is to be hoped that when peace is restored, some energetic measures may be taken for the reduction of the principal of the national debt. The citizens of the United States have set us a good example in this respect. During the peace which succeeded the war of independence, they made great steps towards redeeming the debt it had forced upon them. In like manner they dealt with the debt contracted in their second war with England, until at length, in 1835, they extinguished what remained of the liabilities entailed by the two struggles with the parent state. They are now, I believe, pursuing a similar course with respect to the expenses arising from the Mexican war, and some other proceedings. In this they are worthy of imitation; and if we were prudent, we would not hesitate to take a leaf from their book whenever an opportunity presents itself.* But the fact is, when a country is heavily taxed, any excess of revenue over expenditure is generally made use of by the Government of the day, as an opportunity for acquiring popularity by the remission of taxation. Few statesmen have enough of public virtue to resist this temptation, and follow the less immediately popular though more beneficial course of relieving the nation once for all of a portion of its weighty liabilities. But of late years we have witnessed so much reform in financial and commercial administration, we may hope for improvement in this respect likewise. The present war has already taught two important lessons. It has shown how vain were the expectations of those who had flattered themselves that the principal nations of Europe had grown too wise to appeal to the sword as the abiter of their differences; and it has also demonstrated that, much as we condemned our ancestors for contracting national debts, and leaving us to pay the interest until we choose to redeem the principal, we are quite ready to imitate their conduct when the choice lies between ourselves and posterity. These are lessons which ought not to be forgotten, and which I trust we may profit by when peace returns.

* In 1791, the national debt of the United States amounted to 75,460,000 dollars: and by 1812 it had been reduced to 45,200,000 dollars. During the war which followed, it rose to 127,330,000 dollars; and by 1835 it was extinguished. The present debt is 23,340,000, being less than one fifth of the annual interest on ours. The federal credit of the United States has been honourably maintained from the commencement of the revolutionary war down to the present period; and it is as unjust to cast any imputation on her national honour, on account of the misconduct of some of her provincial assemblies, as to assail our own for the flagrant dishonesty not unfrequently exhibited by our local bodies and trading corporations. "In Europe a very erroneous estimate has been formed, and very unjust conclusions entertained, principally, we believe, from ignorance, by confounding the non-paying and repudiating states with the revenue, debt, and expenditure of the federal government, and of the states which have honourably and religiously discharged their obligations."—*Macgregor's Commercial Statistics*, vol. iii. p. 1046.

IV.—*The excessive Mortality of British Residents in India, as affecting the choice of the Civil Service of the East India Company as a Career for Young Men.* By W. Neilson Hancock, LL.D.

[Read 16th April, 1855.]

GENTLEMEN,

The adoption of the principle of examination in the selection of candidates for the civil service of India, has opened a new career to a very large class of young men of education and ability. But only a small number of those who may be led to take advantage of this opening have sufficient information as to the actual position of the British population in India, to enable them to decide on the expediency of their entering on this career.

In this paper I propose to direct your attention to some facts, commonly overlooked, but which ought, nevertheless, to be fully considered by those who have to decide either for themselves or for others, as to the wisdom of choosing an Indian career.

A young man commencing life would naturally desire an employment in which he had a reasonable prospect of attaining the usual period of human life, that he might first qualify himself for performing some duties serviceable to mankind; then spend his manhood in discharging them; and in old age retire to a dignified position of influence, which a well-spent life is calculated to produce. Now what prospect of prolonged life has the successful competitor of the Indian examination?

To solve this question, I have no elaborate statistics to produce; but the calculations for commercial speculations, though only rough approximations, are free from any risk of gross error or wilful exaggeration:—

The Colonial Life Assurance Company have published tables of rates for life insurance for persons residing in different parts of the world.* In these tables the risks are divided into five classes, arranged according to the rate of mortality, and consequent amount of premium charged.

To show the care with which these tables have been formed, I will explain the classification in detail:—

The lowest class of risks includes Europe, Canada, the free states of the United States, the Cape of Good Hope, and Australia.

The next higher class of risks includes the middle states of the United States, the Bermuda Islands, and South America to the south of Rio Janeiro.

The next higher class of risks includes India, Ceylon, the Mauritius, and China.

The fourth class includes the West Indies and British Guiana.

The fifth class includes other parts of the world, such as the southern states of the United States, or the west coast of Africa, for which no tables are given, and for which there must be a special contract.

* The Colonial Life Assurance Company Almanack, 1851.

Persons assured in the first class have permission to reside:—

1. In any part of Europe.

2. In any part of North America to the northward of the thirty-eighth degree of north latitude, but not to the westward of the Mississippi River. The thirty-eighth parallel of latitude is very nearly the boundary between the free and slave states; it divides Virginia in half, and takes in a small portion of Kentucky.

Persons assured in this class may travel, but not reside permanently, as far south as the thirty-fifth degree of north latitude, but not to the westward of the Mississippi river. This permission extends to Virginia, Kentucky, Tennessee, and the greater part of North Carolina.

3. In Africa, to the southward of the thirtieth degree of south latitude, which includes the whole of the Cape colony, except the settlement of Port Natal and the land lately taken from the Kaffirs.

4. In Australia, to the southward of the thirtieth degree of south latitude, which includes New Zealand, Van Dieman's Land, and the whole of Australia except Moreton Bay.

Persons assured in the second class have permission to reside in certain parts of America, thus defined:—

In North America, to the northward of the thirty-fifth degree of north latitude, but not to the westward of the Mississippi River. The thirty-fifth degree divides the United States between the Carolinas and to the south of Tennessee. The assured may, from the 30th of November to the 1st of June, travel, but not permanently reside, in any part of North America to the northward of the thirtieth degree of north latitude, including the whole of the United States.

Those in the second class may also reside in the Bermuda Islands and in South America, to the southward of the twenty-fifth degree of south latitude. This degree is just north of Rio Janeiro. Those residing in Peru, Columbia, Guiana, and in the greater part of Brazil, are charged at an increased rate, according to circumstances.

The third class, which is the one immediately connected with the subject of this paper, applies to those who have permission to reside in India, Ceylon, and the Mauritius,—India including the whole of the possessions of the Hon. East India Company, and any part of the East to which their servants may be required to proceed. Persons in this class are permitted to visit the parts of China to which British traders have access, but those going to reside in China are charged an extra premium.

The fourth class applies to residents in the West Indies and British Guiana.

For residence in the parts of the world not included in the above classes the assured must make a special contract. As two places where the mortality of the English race is commonly supposed to be greatest, I may mention the west coast of Africa and New Orleans.

Having thus explained the classification on which these tables are constructed, I will proceed to estimate the chance of life of a person residing in the countries comprised in the different classes. The latest age at which the successful candidate for an Indian appointment will go out to India will be twenty-five. Let us see, then,

what is the rate of premium for insuring* £100 on the life of a person of that age in the different classes:—

In the first class, for Europe, Canada, northern United States, Cape of Good Hope, and Australia, the annual premium is,	£1 19 8
In the second class, middle part of United States, Bermuda, and South America south of Rio Janeiro,	3 0 4
In the third class, India, Ceylon, and the Mauritius,	3 16 7
In the fourth class, the West Indies, the rate is, for the first year, for a person not previously resident in a tropical climate,	7 0 1
The rate diminishes each year for five years, and is finally, ..	4 0 1

If we take the sum charged for insuring at the age of twenty-one, an early age to go out, the premiums are:—

In the first class,	£1 16 0
In the second class,	2 16 8
In the third class,	3 12 2
In the fourth class,	6 15 6

In order to appreciate the exact degree of difference of mortality indicated by this difference of premium, a comparison must be made of the ages of residents of Europe, at which the higher premium would be charged. About the same premium is charged to residents

In South America at the age of 25, and in Europe at 40.
In the East Indies at the age of 25, and in Europe at 47.
In the West Indies at the age of 25, and in Europe at 60.

In South America at the age of 21, and in Europe at 38.
In the East Indies at the age of 21, and in Europe at 45.
In the West Indies at the age of 21, and in Europe at 60.

In other words, the Insurance Companies consider that a young man going to the East Indies, at the age of 21, has no better chance of life than his father at 45 remaining at home; and a West Indian cadet, at the age of 21, has no better chance of life than his grandfather at 60.

With these facts before us, we must look upon an Indian career as presenting an entirely different prospect as to the duration of life from any similar employment at home.

There are circumstances where the risk to life should be entirely disregarded. A soldier when fighting the battles of his country—a physician or a clergyman when ministering to the wants of the sick and dying—would be unworthy of their calling if they allowed any regard for their own lives to interfere with the discharge of their duties towards others.

But the advice to go out to India is not generally based on any strong sense of duty towards others, or any high motive of elevating the Hindoos, of converting them to Christianity, or even of governing them in a manly and chivalrous spirit. The motives usually suggested are, that the appointments are so lucrative, a man may

* After the Journal was in the press, I received some new tables of the Colonial Life Assurance Company, making some slight change in their rates, but not so as to affect the principle involved in this paper.

marry at once, promotion goes by seniority, there is a certainty of retiring allowances, and there is a chance of prize-money and an Indian fortune.

The statistics I have detailed show that there is an element overlooked in these calculations. Indian fortunes are like prizes in a tontine—they belong only to the survivors, and their value depends on the rapidity of the mortality amongst those joined in the risk.

The climate of India is, however, not so fatal to the adults as it is to the children of British race; and hence arises another consideration for the candidate for Indian appointments. What prospect is there that he will be able to rear his family under his own care? The usual, if not invariable practice, for Europeans settled in India, is, to send their children at the age of about six years to England, to remain with some relative until the age of sixteen, it having been found almost impossible to rear European children in India. Now, what a destruction of family union is involved in this state of affairs. If the wife accompanies the children to Europe, there is a separation of husband and wife; if she does not, the children are for ten years without parental cherishing or control, and, from the rate of mortality in India, with but slight prospect of ever seeing their parents again. This separation is entirely different from sending children to boarding-schools at home; for there are still vacations twice a-year, and there is the penny postage to facilitate intercourse by letter.

It is scarcely necessary to notice, what I consider of far less importance, the increased expense which this mode of rearing a family involves; but the chief argument urged in favour of Indian appointments being their high pay, this increase of expense should not be overlooked.

We have next to consider whether those who go to India intend to settle there, to found families, to become real members of the Indian community, to identify all their feelings of country with India, to occupy the same position that an emigrant does in Canada, in the United States, or in Australia. If they do not, how are they fitted to effect a lasting benefit in India? How can they appreciate the institutions of India, or understand the feelings of the people? How can they develop a higher civilization out of the elements that surround them?

Now, as long as the rate of mortality amongst the British race in India is so great as I have shown it to be, as long as the children cannot be reared there, it is vain for those filling Indian appointments to consider India as their country or their home.

The feeling which has been described to me by one who went there full of enthusiasm and chivalry, is such as we might expect under such circumstances. Every official he had met with seemed, he said, to be bent on only two objects—to make money and to come home. When such is the feeling of Indian officials, what hope is there for the permanence of British sway in India? Can an empire based on such sordid feelings be lasting? or can the system be sound which generates such feelings in the minds of those subject to its influence?

Whether the effects of climate on health which the statistics indicate be remediable or not, is beyond our present knowledge to predict, but we must deal with the facts as we find them, and guide our conduct accordingly.

In directing attention to this subject, I would not be understood as undervaluing the change involved in the opening of Indian appointments to examination. It is one of the most important changes in our times. It makes the public service in India the property of the ablest and best of the educated classes in the empire, instead of being the exclusive privilege of the nominees of the holders of stock in a public company. It makes it possible to abolish that company, and so to put an end to the disgrace of making the government of millions of our fellow-men a matter of trade, instead of a high office and an exalted duty.

The reason assigned for the last renewal of the East India Company's charter was, that the patronage, if transferred to the ministers of the crown, would be a dangerous instrument of corruption. The examination has removed that difficulty.

But why should this principle be applied to the distant appointments in India, and not to the more important appointments in the civil service at home? Why should our most gifted men be tempted to sacrifice their lives to the Indian climate, and to devote their energies to the acquisition of Indian fortunes? Are there not questions and duties at home, and in the more healthy colonies, the future dwelling-place of our race, requiring the greatest talent and the highest character which we can command?

The statistics with respect to the relative mortality of the British race in different parts of the world, suggest some considerations of much greater importance than those which I have ventured to point out, but which it would be out of place to do more than notice in this paper.

It is singular that the division of free and slave states in America should correspond with a marked difference in mortality to the whites. May not this be an indication that the whites have transgressed the natural limits of colonization, and that their presence in the slave states is unnatural? And may not the negro empire in St. Domingo indicate the future not only of the southern states of the Union, but also of Cuba and of the West Indies?

It is also remarkable that the ground which the Cape Colonists have endeavoured to take from the Kaffirs lies beyond the limits of European mortality in Africa. May the colonists not be thus encroaching on the territory best suited to the aborigines?

There is one point in the tables of relative mortality which remains to be noticed. It is the great diminution in risk incurred where persons only visit at suitable seasons, but do not reside in the unhealthy regions. This, when taken in conjunction with the diminution of sea-risk consequent on the extension of the use of steam, would seem to indicate that the future of the British race is to dwell in the temperate regions, but to trade with all parts of the world.

V.—*On the Connexion between the Origin and Localization of Diseases, whether usual or epidemical, and the Over-crowding of Buildings in our Cities.*—By Richard Dowden (Richard), Esq.

[Read 21st May, 1855.]

In the statistics of diseases it has been for a long time recorded that maladies which are at one period scattered and occasional, at other times appear in accumulative form, and are epidemical, or inflicted "upon the general people." These two phases of sickness seem to have their origin in obscure and perhaps elementary causes, but the mitigation or aggravation of these unfavourable states of health seems to be very much within the influences of our own neglect on the one hand, and our own zeal, courage, and industry on the other. Medical professional literature distinguishes very clearly the sporadic or occasional occurrences of diseases from their more universal or epidemic accesses among us; and although these attacks have their individual states, and retain them in some seasons, yet at other times the minor visitations quickly pass into the more general outbreaks which are known as plagues or pestilences. Through these stages of aggravation some of our most familiar diseases are known to pass. Typhus fever, at times limited to occasional cases, is, as we all know, constantly assuming for awhile the epidemic aggravation; and at more distant cycles we have diseases which are usually sporadic taking on them the epidemical continuance and universality. It is scarcely necessary to mention the series of diseases respecting which this is most remarkable, but the best remembered are perhaps influenza, hooping-cough, and small-pox. Various animal families as well as mankind have been found subject to these two classes of maladies; living vegetables, too, and even dead organic substances, have their laws of destruction—the normal or usual, and the abnormal or epidemical. The dry-rot in timber, which occurred with great malignity in Cork some years ago, illustrates my last statement. This peculiar fungus extended its destructive vegetation for a period of two or three years with a force and universality which defied the class of precautions which are usually sufficient to prevent its ravages. Old dry timber became susceptible and was perished. Contact or contagion did not seem necessary to the distribution of the mischief; but the leprosy of timber, like that mentioned in the Levitical law, was so penetrative and universal, that nothing short of pulling away all enclosed structures seemed to have power to stop the destroyer. This pulling down, however, discovered a fact, that in the acme of this fungoid epidemic of the timber, plenty of dry air, with an active circulation well maintained, was a specific against the disease. The history of the unusual destruction of timber-work during the time referred to would, if examined, demonstrate the fact, that there then was a state of the atmosphere inducing an excessive energy of vegetative powers in the fungus of dry-rot, which is more easily comprehended than that dry dead timber should have acquired a

new and morbid susceptibility to the growth which so suddenly seized on its structure. This excessive tendency in timber to become pabulum for that vegetable, is not now among us as a costly infliction; but what has once occurred may happen again, and light and air as preservative means in houses can only be fully maintained by street-roominess. We find, then, that dead and dry timber has had its epidemical disease; probably the wood was but a passive sufferer, and the mischief may in this case have belonged to the undue activity of its vegetable assailant. But when we come to treat of living organized beings, we have to deal with creatures having a highly impressionable susceptibility of their own, prepared perhaps by exciting causes to receive the more active malarious influences which co-exist abroad and around. Climate, food, atmospheric poisons, and many other agencies have their action on all living organisms. Fruit trees are sometimes affected; so are timber trees. The grape vine now has some epidemic in the wine countries which brings diseases on the wood, the leaves, the fruit. The potato disease and its melancholy history have afforded a controverted page in the black book of vegetable epidemics. We cannot venture into the discussion here, but potatoes we know are less susceptible of disease than they were seven years ago. Onions had "a rot" not long ago; and, indeed, experience tells us that epidemics to plants, animals, and mankind are to be expected occasionally, and that it is our duty to take the best precautions we can against their aggravation, by inducing firm health and resistant energy wherever we know how to produce such a preservative power. The most alarming of our epidemics among mankind is the cholera. There can be little doubt that some unsanitary condition of the atmosphere is promotive of this disease; for during its access most people feel some occasional disturbance of the intestinal functions, while with very many that fearful bowel-fever known as cholera becomes an acute, and often a morbid disease. For a time facts were not carefully observed, and people thought this disease to be as occult in its progress as it still seems to be in its initiative causes; but men have recovered their courage, and, with it, both observation and skill in deduction. We now know that whatever are the conditions which induce choleric symptoms, any circumstances which prostrate the general health make the prostrated more susceptible to the attacks of cholera. A truly tonic power in mind and in body is then the best, if not an infallible, specific in epidemical times; and if this observation is based upon a sufficient foundation of observed facts, it becomes important to examine if there are not in existence far too many widely-acting public causes of depressed health, which induce a dangerous want of tone, and consequently expose multitudes of people to the debility which gives to disease its melancholy victories over human life. It is well known from experience that immoralities of all kinds are at war with man's healthy power. Drunkenness and all kinds of degradations bring with them this natural vengeance on the physical machinery. Nor does vice stop there, for the moral powers also become involved, and the mind of the vicious man aids in subjugating his dilapidated

resistancy. This is, however, what may be called the individual treason against our stronghold of health. We cannot dwell on it as it would be needful to do, but must pass on to the public and communal offences against the general stock of healthiness which we ought to have in store against any unexpected or even well-anticipated epidemical assaults upon our vital powers.

FRESH AIR AND FULL SUNLIGHT.

Ever since the fearful tragedy of the stifling in the black-hole at Calcutta, it has been an admitted fact that the effluvium exhaled from closely confined living animals is intensely malarious, and persons writing on the health-promoting conditions of society have usually demanded a free ventilation as very important. But these renovators have generally dealt with but one source of the evils of which they complained, namely, bad air within dwellings. The matter, however, requires a more extended examination, and those frequently confined places, from which buildings receive air, but not fresh air, demand sanatorial scrutiny. How often we find in towns structures intended to contain several residents placed where free aeration is impossible. Old prisons are usually situated in narrow streets, where the deep shade of high walls shuts out the sun-light, that most active means for circulating the air; their gratings let in a polluted atmosphere to have its malarious taint aggravated within, and then returned upon the narrow neighbourhood poisoned and poisoning all within its evil influence. Parish almshouses are often thus built in pestilential places; and though the languid life of old age find this but a slow poison, we know that young children, when sent at times into these dens, experience a frightful amount and rapidity of mortality. Long established hospitals, too, are frequently discovered in similar obscurity, hidden from the natural use of a disinfecting, and even actively healing sunlight, with free and pure air; even workhouses have been so unhappily located as to be much debarred from the advantages of those great elementary pabula which tend to sustain the health and promote power with a natural active energy. We are, then, unmistakably invited too often to trace to an outward cause the inward maladies in buildings, where people are grouped together in any number; nor are houses where single families reside indulged in any immunity for doing without the natural elements of healthiness; they, too, when living in narrow, dark, and damp streets, suffer from debility, the consequence of being hourly and daily unconsciously, but certainly dosed with slow poison. Look into our narrow streets; they are often pebble-paved; they are too much shaded from sunlight, and barred in from a fully circulating air to be dry or warm; "every pebble has its puddle;" and then a bad, untrapped sewerage, with a direfully cadaverous or death-dealing channelage, (a system of over-ground sewers,) makes the narrow ways filthy and fœtid, in spite of brooms, for nothing but force-pump flushing can clean these places even in a temporary way, and then at the expense of a perpetual wetness. These circumstances describe some of the evils consequent on houses and walls being drawn into a too close contiguity in

towns; and whether the floating funguses, which close dampness develops, pervade organic tissues or not, we know that dampness is unwholesome; that a fusty foulness in the air is nauseous, and that mildew in clothing, both linen and woollen, is mischievous; while mould destroys furniture, pictures, books, and all that makes the tasteful and useful decoration of modern domestic life.

METHOD OF A REMEDY.

Having thus expatiated on the evils produced by the narrowness of streets and ways, I proceed to state some of the particular measures which a general, though perhaps very gradual, reform will require. And first, what breadth should be considered as essential for allowing access of sufficient sunlight, ameliorating sun-warmth, and an unobstructed circulation of air in streets? I shall quote a general if not a universal rule of practice from Mr. Loudon, the eminent botanical writer. Among his voluminous labours, one of his *Encyclopædias* is architectural, and in that work he treats on this subject. It is curious that Mr. Paxton, also a gardener, should have been the best practical contriver of structure where the sun and its influence were glorious means of beauty and brightness; the coincident tendency seems to have arisen from the fact that both of these physiologists, having attended closely to the means of health, vigour, and beauty in plants, readily transferred their experience to the production of similar results by their adaptations of light and air in a more general application. Loudon's law was this, that no building should be encroached on by any other building placed nearer to it than its own height of distance; that is to say, if the houses at one side of a street were sixty feet high, the range of houses on the opposite side of the street should be sixty feet distant. It is true, many handsome streets have a breadth beyond this, but as working every-day ways, this rule would secure to streets light, dryness, and change of air. It would, of course, be a great assistant advantage if all the corners of streets were well rounded off, instead of touching other streets at a sharp angle; the air would move more freely round the non-angular turn, the approach would show the opening street at some little distance by the light round the corners, would give size to the juncture of the streets, and would prevent vehicles from any danger of running against each other. But to return to our chief topic, light and air. Loudon carries his suggestion into flower culture and into foresting; he says the health of flowers requires that the free earth should be seen between them, not only because their proper nutriment requires some individual space, but also because their energy is prostrated by crowding. Again he says, "their form is lost if they have not a power of being seen; it is only by a clear area of their own height that plants can be seen—

‘Gaily to bourgeon and boldly to grow.’”

And it should be remembered that the sunny side of flowers is always the most beautiful. Now, when they are over-crowded, they cannot have any sunny side, and consequently their brightest

beauties are undeveloped. This law of visual effect is of some importance to the authorities of towns; it is but just to give the public the consequence which belongs to public building and good structures. Loudon tells us that every building which could hold in one apartment two hundred people seated, claims to be a public building. Under this rule, if accepted, would come in all places of public worship, halls of associations, and many similar structures. What architectural emphasis and importance a town would command, which should enjoy a circumferent isolation from other buildings of the same extent as its own height! and then the ventilation such clearances would secure, where the *creation* and *aeration* of public buildings would go together! But, dealing with street structure principally, we might follow the doctrine of Loudon safely, even into cottage economy. If a roof be but sixteen feet high, an alley of sixteen feet wide would not be a stifling space, conditionally that no loftier buildings obstructed the opposite side of the way. It is when houses are at both sides lofty, and the mid-way narrow, that the odiousness of the lanes thus made becomes at once noisome and dangerous.

Room to be healthy is, then, one of the great wants of cities and towns, and no greater boon could be offered, to the working classes especially, than houses of two stories high being, at least in front and rear, freed from the obstructing injury of any other buildings to the full breadth of their own height. One point more must be put in this prayer for the poorer householders, which is this, that all frontages should receive the light and heat, the dryness and cleanliness, which a south or an eastern aspect would confer and maintain.

Moore, our nation's poet, knew the power of invigoration and joy which light confers, and often he has sung of it; but this blessing, which he repeatedly individualizes, we will make general, and in his words wish it to the multitude, thus:—

“As half in shade and half in sun,
This world along its path advances,
May that side the sun shines on
Be that which ever meets thy glances.”

Groups of houses round areas separated by their own height at least, and three-sided, leaving the south open, would be wholesome hamlets for the working classes. No doubt, if a grass-plot or flagged square of a moderate size, and without trees or shrubs, could be bestowed as a centre-piece, it would add greatly to the pleasure of the residents and the health of the children; and by inducing the population to live much in the open air, it would improve the physical, moral, and mental strength of the occupying tenants. Such are some of the reasons, statistical and constitutional, for a great increase of street-roominess.

VI.—*Malthus*.—By Frederick G. Evelyn, Esq.

[Read 18th June, 1855.]

As the present age is honourably distinguished by efforts, well-meant, though not unfrequently misdirected, to ameliorate the condition of the labouring classes; as I believe an all-important step in that direction to be a general acquiescence in the soundness of the views enunciated by Malthus, in his "Essay on Population;" and as those views, having encountered a fierce opposition on their first promulgation, have been recently assailed by Mr. Rickards, Professor of Political Economy in the University of Oxford, and are habitually disposed of in a parenthesis at meetings of this Society, by two of its most distinguished members, Drs. Lawson and Hancock, under the complimentary designation of "that exploded fallacy," or "exploded Malthusianism,"—in the teeth of the fact that the names of the two first of living British Economists, Mill and Senior, are inscribed on the Malthusian banner—under these circumstances, I feel no apology to be necessary for soliciting your attention, while I endeavour to point out (1.) what the theory of Malthus is; (2.) its evidence; (3.) its practical importance; and, (4.) finally, the attempts that have been made to impugn its truth.

1. The theory of Malthus is comprised in a very few words. It is briefly this, that there is a capacity of increase in population beyond what there is in the means of subsistence; that accordingly, if the human species actually increase up to its capacity of increase, the means of subsistence must be outrun in the race, "as the tortoise by the hare," in which case the surplus population must be cut off by some one or other of the various modes by which human life is prematurely shortened; and that the only mode of guarding against a contingency so disastrous, is to keep down the actual increase of mankind below its capacity of increase; so that, although the capacity of increase in population exceed the capacity of increase in the means of subsistence, the actual increase of the latter may exceed that of the former.

This statement of what the theory of Malthus is, also indicates what it is *not*; "rectum enim et sui index est et obliqui." It is not, for example, as represented by Dr. Lawson, in a paper read before this Society in 1849, entitled, *The Over-Population Fallacy*, "that population *increases* in a geometric ratio, subsistence in an arithmetical only, and therefore population *increases* faster than subsistence." Malthus does not say so. What he says is, that population *is capable of this more rapid increase*, while he points out the only effectual means of ensuring that it shall, *in fact, increase less rapidly*.

2. Having stated what the theory is, I next proceed to consider its evidence; the grounds upon which Malthus attributes this greater *potential* increase to population than to the means of subsistence, ascribing to the former a tendency to increase in a geometric ratio,

or as the numbers, 1, 2, 4, 8; and to subsistence a tendency to increase in an arithmetical ratio, or as the numbers 1, 2, 3, 4. To ascertain the propriety of this distinction, we must compare the power of increase in man with the power of increase in the means of subsistence. On the first term of the comparison—the power of increase in man—it is unnecessary that I should dwell at any length; as the opponents of Malthus, so far as I am aware, fully grant all that has been urged by him respecting every animal's *infinite* power of multiplication. They admit that he does not overrate this power in the human species, in representing it as capable of doubling its numbers every period of twenty-five years; and that, accordingly, the strength of the power is illustrated, with sufficient accuracy, by the statement that in man there is a capacity of increase in a geometric ratio. In other words; they allow the fecundity of man to be a *constant*, so that, if the present population of the world were quadrupled or decupled, the resulting population could be doubled in twenty-five years with as much facility, *so far as the fecundity of man is concerned*, as the existing number of the earth's inhabitants. Let us now turn to the other term of the comparison, the capacity of increase in the means of subsistence. Can man's food be *infinitely* increased by force of the fecundity of the great mother that produces it, as we see the human species can by force of its fecundity? The ultimate source of subsistence is the earth. We need not take into account the food afforded to man by the lower animals, for it is the earth that supplies them with food. As, in estimating the capacity of increase in human beings, we look to the constitution or physiology of human nature; so, in estimating the capacity of increase in the means of subsistence, we must look to the qualities of the land. In the first place, the land is limited in quantity. From this quality of the land, it at once follows that the means of subsistence cannot be *infinitely* increased. For there must be some *maximum* of agricultural skill, however far we may be from it at present; and if we suppose this *maximum* skill applied to the entire globe, the quantity of produce capable of being extracted by it is plainly not *infinite*. For it is clear that the produce which it could extract from every individual acre is *finite*, and the sum of a number of finite elements can never be *infinite*. But although on this hypothesis, all further increase of food would be impossible, the power of increase in population would be as great as when our first parents had the world to themselves. Did this statement, however, embrace the entire truth, as we are so far from having realised the hypothesis, we might safely leave the consideration of the matter to remote posterity. But it imperatively demands *our* attention, because, however remote that *ultimate* barrier, the nearer we approximate to it, the greater is the difficulty, in the absence of disturbing causes, of obtaining an increased supply of food; it being the law of production from the land, that, "in any given state of agricultural skill, the application of additional labour and capital to land yields a less proportionate return; doubling the outlay does not double the produce." The proof that has been given of the truth of this law is very simple. The mere fact that inferior land is cultivated evinces its truth; since, did the additional return on the *most fertile* land continue proportionate to the

additional outlay, *less fertile* land could not be taken into cultivation; as this would be to have recourse to an inferior machine while one of superior efficacy is still available. From this law, then, coupled with what has been said of the fecundity of man, the truth of Malthus' theory at once follows. The fecundity of man is *constant*, millions being as easily doubled as hundreds; while the fecundity of the earth is a *diminishing fecundity*, "every addition made to the quantity of food periodically produced making in general a further periodical addition more difficult."

3. As to the practical importance of this theory, Dr. Lawson states in his Lecture on Population, that the celebrated dictum of Malthus, "that there is a tendency in population to increase faster than subsistence," is of no practical moment unless it be true, not in the sense *that there is a capacity of this greater increase in population*, but in the sense *that this greater increase is actually to be expected*. Now we have no warrant, he justly remarks, from experience, to entertain any such expectation; as we find that, *in point of fact*, subsistence increases faster than population, the bulk of the people at the present day enjoying far greater comforts than their ancestors.

But surely this argument proves too much. It involves the principle that because, in the natural course of things, checks arise to counteract the action of a cause which, if unchecked, would produce disastrous results, therefore we may safely ignore the existence of the cause, and refrain from all systematic endeavours to increase the force of its counteracting checks. The capacity of increase in man is a cause which, if unchecked, would produce disastrous results—an excess of population over subsistence. Checks arise, in the progress of civilization, which may, in the main, be reduced to two—prudence, and agricultural improvements: the former keeping down the number of applicants for subsistence; the latter increasing its quantity, not only without an *increased*, but sometimes with even a *diminished* proportionate expense. But though these checks arise spontaneously to a certain extent, they are far from operating as forcibly as it is desirable they should. The labouring classes (it is their case only I am considering in this brief sketch), unquestionably enjoy more of the comforts of life, than did those in the same rank 100 years since. But if their present state be wretched, I cannot see that it is any great consolation to them to know that the position of their ancestors was more wretched still. They would be in the enjoyment of much greater comfort, if either their rate of increase was slower, or agricultural improvements greater, without a corresponding increase of population. To strengthen the second of these checks, systematic efforts *have* been made; agricultural-improvement societies existing throughout the land for many years. But as regards the first, so far from any general attempts being made to strengthen *it*, all the efforts of mankind, as Mr. Mill points out, have been concentrated in the opposite direction. And yet, as Dr. Chalmers justly notices, it is much more rational to attend to it than to the other, for the practice of prudence is in man's power, while he cannot command agricultural improvement. It is on this check that Malthus insists.

And unless it can be shown that the labouring classes possess such an ample stock of this virtue, that all attempts to increase it are superfluous, the practical importance of the theory of Malthus cannot be overrated. But it needs no formal proof that, among the lower orders, prudence is a virtue "more honoured in the breach than the observance." Every means should be taken to increase its growth, and *a fortiori* every thing rejected which would lessen the necessity for its cultivation. On these principles, it seems to me, the recommendation contained in a paper entitled, "The Work-house as a mode of relief for Widows and Orphans," which Dr. Hancock read before this society on a recent occasion, is objectionable in the extreme, as plainly tending to increase the number of imprudent marriages.

4. I now proceed to consider the objections that have been made to the theory of Malthus. I am met, in the first instance, by two of the *a priori* class. Dr. Lawson argues that it cannot be true because it is comparatively new; while a whole host of objectors, among them Professor Rickards, infer its falsehood from its supposed incompatibility with the wisdom and goodness of the Creator. Of these in order.

Here is Dr. Lawson's first parallel in his siege of Malthus. "It is an ancient opinion," he writes, in his third Lecture, "and if an error, an error so venerable that we could hardly see it dissipated without some feelings of regret, that men are the strength of a state; and the increase of the species has been ever looked on as a national as well as an individual blessing. The Jews, Greeks, and Romans discountenanced celibacy, and I need cite no authority to prove that such have been the prevailing notions from the earliest times, down at least to the Vicar of Wakefield's day, who thought that "a man did more service to the state who married and brought up a family, than if he lived single, and talked of population." It has been reserved for the ingenuity and originality of modern times to detect and point out the fallacy of these notions, and to show that all our progenitors have confounded their curses with their blessings." Now, not to dwell on the glaring inconsistency between this passage and subsequent parts of the same Lecture, in which he deprecates all *artificial* encouragement of population,—the premiss supplied in the above passage being, the increase of the species is *per se* a blessing, and *therefore* it should not receive artificial encouragement,—not to dwell on this palpable *non sequitur*, is it not inconceivable that Dr. Lawson should have recourse to an argument so fatal to himself and his fellow Political Economists; that he should wield a weapon which, for one blow it inflicts on his opponent, deals a score to himself? What have the writers on economic science ever done, save point out the fallacy of notions long and widely prevalent? It is an ancient opinion, and if an error a venerable one, that wealth consists of the precious metals. It is an ancient opinion, and if an error a venerable one that, while a private individual, who makes for himself what he can procure at less cost from another, is a fool for his pains, what is folly in the individual is wisdom in the nation. In these, and numberless other instances, Dr. Lawson holds, in common with all economists, that "our progenitors *have* confounded

their curses with their blessings." His sneer then at "the ingenuity and originality of modern times" is eminently suicidal. Opinions can acquire no title *by prescription*: it matters not how lengthened or extended their occupation may have been; if they cannot, when called upon, produce their *title-deeds*, i. e. adequate evidence, they must yield up possession to those which can.

The objection to the views of Malthus, as inconsistent with the wisdom and goodness of Providence, is as follows. If there be in population a natural tendency to increase faster than food, it follows that if man increase naturally, i. e. as led by the constitution given him by God, misery will be the consequence; and we cannot suppose that a Being supremely good would attach such a result to obedience to his behests. Now this objection altogether overlooks the important distinction pointed out by Bishop Butler between natural conduct in a man, and natural conduct in a brute. A brute acts naturally in following his passions to the utmost, there being nothing else to guide him. A man does *not* act naturally in following to the utmost his passions, as *he* has higher guides, reason and conscience; and no gratification of passion on his part can be called natural, which contravenes the sentence of these dominant faculties. But reason foresees, if Malthus be right, that an actual increase up to man's capacity of increase must lead to misery, and reason and conscience alike condemn conduct of which misery is the foreseen consequence. An actual increase, therefore, up to man's capacity of increase, is *not natural but unnatural*. But, it may be said, granting this to be true, on the supposition that the constitution of man and the external world is as Malthus represents, yet how are we to account for their being so constituted? Why should an all-wise and good Being have established this apparent discord between the fecundity of man and the fecundity of the earth? A little reflection will enable us to solve this difficulty. Suppose, the fecundity of man continuing as at present, the law of production from land were not as I have stated, but that every additional outlay yielded a proportionate return. In this case, nothing would stop the torrent of population till it was brought to a stand from want of space. Every acre that was not required for cultivation would be covered with a mass of densely-congregated human beings. Horace contemplates gloomily the rapid encroachments made on tillage by the demesnes and palaces of the great:

Jam pauca aratro jugera regie
Moles relinquent.

But surely the complete reverse of this picture is far from pleasing; not an acre suffered to escape the plough; not a flower or shrub allowed to stand, unless it be, not merely "pleasant to the eyes," but also "good for food."

There is a pleasure in the pathless wood:
There is society where none intrude.

Of such pleasure and society would man be debarred on the hypothesis I am considering. But it is not merely pleasure that man derives from being occasionally alone, he also draws from it improvement; for,

Wisdom's self
 Oft seeks to sweet retired solitude :
 Where, with her best nurse contemplation,
 She plumes her feathers and lets grow her wings,
 That, in the various bustle of resort,
 Were all too ruffled and sometimes impaired.

Again : suppose the fecundity of the earth to continue as at present, but the fecundity of man to be lessened. In this case, the incentives to industry would be *pro tanto* weakened, and it can scarce be pretended they are too strong at present. In the words of Malthus, "The desire of the means of subsistence would be comparatively confined in its effects, and would fail of producing that general activity so necessary to the improvement of the human faculties, were it not for the strong and universal effort of population to increase more rapidly than its supplies."

I now proceed to objections of another kind. The theory is impugned as contradicted by fact. So far, it is said, is it from being true that population has a tendency to increase faster than food, that food has a tendency to increase faster than population ; as appears from a comparison between the state of mankind now and in the earlier ages. This objection arises from a misconception of Malthus' use of the word "tendency." That word, as the Archbishop of Dublin has pointed out, is ambiguous ; sometimes meaning "the existence of a cause which, if operating unimpeded, would produce a certain result ;" sometimes, "the existence of such a state of things, that the result may be expected."* Now it is clear, from Malthus' correspondence with Mr. Senior, that it was in the *first*

* It is right to notice here a mischievous perversion of an illustration employed by Archbishop Whately for a perfectly legitimate purpose. In the passage above referred to, from his 9th lecture on Political Economy, to illustrate the difference between the two senses of the word "tendency," he says, that in the *first* sense "it may be said, with truth, that the earth, or any other body moving round a centre, has a tendency to fly off at a tangent, i. e., the centrifugal force operates in that direction, though it is controlled by the centripetal ; and, again, that population has a tendency to increase beyond subsistence ; i. e. there are in man propensities which, if unrestrained, lead to that result." While, if the word "tendency" be used in the *second* sense, the contradictories of these propositions are true. "Now," says the anti-Malthusian, "you say it is in the *first* sense Malthus employs the word, when he states that population has a tendency to increase beyond subsistence. Grant the proposition to be true, of what practical importance is it, any more than the parallel statement that the earth has a tendency to fly off at a tangent ? We do not, on account of the truth of the latter proposition, discompose ourselves in the least, or think it necessary to take any precautions to ensure that the earth shall remain in its orbit. Why then discompose ourselves about the former ; why take any trouble to provide that population shall remain behind the means of subsistence ?" The fallacy of this reasoning is transparent. We take no trouble to ensure that the centrifugal force shall equilibrate the centripetal, because these two forces are altogether beyond our control, for evil or good ; nothing we can do can affect them in the slightest degree. Not so as regards the checks to an increase of population beyond subsistence. These are in our power, and in our power exclusively. And unwise conduct on our part may, by removing or weakening them, bring about either completely or partially the catastrophe between which and us they are the sole barriers. But, as civilization advances, there is less and less chance of this catastrophe, because there is less and less chance of such unwise conduct. The opponents of Malthus, because they are told that food will increase faster than population, in consequence of the existence of certain checks to the power of population, strangely conclude that the same favourable results will follow after they have removed the checks.

sense, and in that alone, he employed the word; while in the objection it is used in the *second* sense. Malthus distinctly admits that, the word being used in *this* sense, food has a tendency to increase faster than population, *i. e.*, that with the progress of civilization, we have every reason to expect that the actual increase of food will bear a greater and greater proportion to the actual increase of population. But why? Precisely because there is reason to expect that, as civilization advances, men will be less influenced by passion and more by reason; *i. e.* so far as the matter before us is concerned, will become more and more *practical Malthusians*, however they may denounce his theory; will do homage to him by their conduct, even though with their lips they may blaspheme his name.

The next objection I shall notice is one which, if well-founded, would be subversive of the entire theory, being a denial of the law on which it is based, the diminishing fecundity of the earth. Most objectors, Dr. Lawson among the number, finding it impossible to deny this law, admit it; but, most inconsistently, as it seems to me, deny the theory directly based upon it. Professor Rickards, with much greater consistency as I think, perceiving this to be the key of the position, admits that if the law be granted, the theory cannot be denied. He won't admit the theory; so he boldly takes the bull by the horns, and denies the law. He thus imitates the prudent conduct of the Philistines, who did not attempt to lay rude hands on Sampson till they had deprived him of that wherein his strength lay—his hair; while Dr. Lawson leaves Sampson his hair, and yet is sanguine enough to think he can vanquish him. In his paper of 1849, already quoted, Dr. Lawson admits it to be "a well-known and familiar fact that, after a certain amount of cultivation has taken place, it is impossible to go on, year after year, increasing the produce in a constant ratio." What, according to Dr. Lawson, is "a well-known and familiar fact," according to Professor Rickards is to be set down in the category of popular fallacies. When his enemies thus fall out, I can have little doubt but that Malthus will, sooner or later, come by his own. As for Professor Rickards, I admire his sagacity in perceiving that, if Malthus be left this fulcrum, all attempts to restrain him from moving the world must prove futile; I admire his more than Quixotic gallantry in endeavouring to carry, almost single-handed, this impassable barrier behind which his opponent is securely intrenched; but on the possession of discretion, in that he ventures on an enterprise so desperate, I can as little congratulate the professor as the knight.

We shall now see with what amount of success he prosecutes the attack. I have already referred to the simple proof given by Mr. Senior and others, that, "agricultural skill remaining the same, additional labour employed on the cultivation of land, within a given district, produces a less proportionate return." "To convince ourselves of this," says Mr. Senior, "it is only necessary to recollect that, if it were false, no land except the very best could ever be cultivated; since, if the return from a single farm were to increase in full proportion to any amount of increased labour bestowed on it, the produce of that one farm might feed the whole population of England." How does Professor Rickards meet this? He says that

the *reductio ad absurdum*, that one farm might supply food to the whole of England, does not follow from a denial of the law; for that a single farm could not supply *space* to the number of labourers that would be required to raise such a produce. This objection touches *the mere wording* of Mr. Senior's proof, leaving it unscathed in essentials. The law remains unshaken, if less fertile land is ever taken into cultivation, *as long as there is space for additional labourers on more fertile land*. But that less fertile land is taken into cultivation before land of greater fertility is thus crowded with labourers, is too obvious to require proof. The most fertile farm in the whole of England undoubtedly has not as many labourers upon it *as it could find space for*. Professor Rickards concludes as follows his criticism of Mr. Senior's proof of the law in question:—"If the given district of which Mr. Senior speaks be a single farm, no doubt the point at which the increased return ceases to maintain proportion with the increased outlay, will soon be attained. Not so, if the given district be the entire territory of a state; and it is with such communities that we are here concerned." Is not this absurd in the extreme? Is it not to attribute to an aggregate, consisting of a number of individual farms, a productiveness greater than the productiveness of the sum of its component parts? I had occasion lately to compliment Professor Rickards on his consistency, but what amazing inconsistency is here! How can there be one law of productiveness for each one of a number of units, and a different law for the aggregate made up of these units? What is the productiveness of the aggregate, except the productiveness of $A + B + C$, the several elementary parts? Having in this manner, as he flatters himself, demolished Mr. Senior's proof; sensible that it would be illogical to infer the falsehood of the law from the unsoundness of the argument employed to prove its truth, he proceeds to establish its falsehood *absolutely*. Is he more successful in this attempt? We shall see. "If," he says, "this law exist, we are entitled to ask, when and where has it been found in operation?"—"It does not hold good in England. In England it seems to be admitted, or, at all events, it can be abundantly proved, that if we take any two periods sufficiently distant to afford a fair test, whether fifty, a hundred, or five hundred years, the productiveness of the land relatively to the labour employed upon it has become progressively greater and greater." Now observe. This gentleman has undertaken to disprove a law *which is, in express terms, limited on a condition*, ("agricultural skill remaining the same,") and he lays the flattering unction to his soul that he has done so, by showing it not to hold *in the absence of the condition whereon it is limited*; it being impossible that agricultural skill can have remained stationary for one hundred or five hundred years. But it may be said, admitting the law, of what practical importance is it, *when its condition does not exist in point of fact*, agricultural skill not being stationary, but progressive? The answer to this is, that the law is a certainty, is always sure to produce its effect in the absence of disturbing causes, *i. e.*, of agricultural improvements, while the presence of these antagonistic influences is contingent. I have no doubt, indeed, that we shall continue to advance in civilization; *but the time at which, and the extent to which the improvements will take place, are uncertain*.

I now come to a most formidably-sounding objection, put forward both by Dr. Lawson and Professor Rickards; namely, that Malthus has talked of a proportion between two things of different denominations, a *capacity of increase* and an *actual increase*; that, instead of comparing either the *potential* increase of population with the *potential* increase of subsistence, or the *actual* increase of population with the *actual* increase of subsistence, he has compared the *potential* increase of the first with the *actual* increase of the second. I confess I am utterly at a loss to perceive a shadow of foundation for this charge. It seems clear to me that in both cases it is the *potential* increase of which Malthus spoke; in both cases, it is *abstract reasoning* that he has employed. But we must fix the meaning of our terms. What do we mean by the "potential increase" of anything? When we talk of applying "abstract reasoning" to the increase of man or of food, what is it we intend to convey? Is it, that it is possible to speculate on their increase *altogether* irrespective of facts? Certainly not. We must be given certain facts as the basis of our reasonings, the fecundity of man, on the one hand, and the fecundity of the earth, on the other. Having, by a reference to facts, supplied ourselves with these *data*, we can then, but not till then, compare the *potential* increase of man, i. e., *his increase, in a given time, so far forth as it depends on his fecundity*,—with the *potential* increase of subsistence, i. e., *its increase, in a given time, so far forth as it depends on the fecundity of the great parent of subsistence, the earth*: in other words, we can estimate what *would* be their increase in the absence of all checks to their respective capacities of increase. Now, this is precisely the course pursued by Malthus. *By a reference to facts*, the case of the American colonies, he finds the fecundity of man to be such, that he is capable of doubling his numbers every period of twenty-five years at the least; i. e. *that his potential increase is in a geometrical progression*. Again, *by a reference to facts*, he finds "that," in the words of Dr. Lawson, "after a certain amount of cultivation has taken place, it is impossible to go on year after year increasing the produce in a constant ratio, i. e. that food is capable of increasing not by way of multiplication, but of addition; *that its potential increase is in an arithmetical progression*." He then compares the two, and as a geometrical increases more rapidly than an arithmetical series, pronounces the *potential* increase of population to be greater than the *potential* increase of subsistence; for, as I have already remarked, he admits the *actual* increase of the latter to exceed that of the former. Why then do Dr. Lawson and Professor Rickards charge him with having considered not the *potential*, but the *actual* increase of subsistence? As to Dr. Lawson's reason I am not quite clear: but Professor Rickards prefers the accusation *because he takes into account the constitution of the earth*, though the same argument would equally prove him to have considered *the actual increase of population*; for he takes into account, as he needs must, *the constitution of man also*. That I may not misrepresent Professor Rickards, I give, in his own words, what he considers to be the mode of estimating the potential increase of subsistence:—"On the other hand," he says, "we may estimate the potential rate of increase of those

animals or substances which are adapted for human subsistence, assuming no obstacle to their multiplication to arise from the difficulty of finding hands to rear, or space upon the earth to nourish them." "Or space upon the earth to nourish them!" That is, assuming the constitution of the parent of subsistence to be other than it is. But if, because he did not make this assumption, it be asserted that it is the *actual* increase of subsistence which Malthus considered, it must also be maintained that he considered the *actual increase of population*, for neither did he assume the constitution of man to be other than it is. Any such assumption, in either case, would be manifestly improper, when the thing to be determined is the *actually existing* capacity of increase in man and subsistence; *not what would be the capacity of increase in each under other than existing circumstances*. And yet it is because he did not consider what would be the capacity of increase in subsistence under imaginary circumstances, that this charge has been brought against Malthus.

I next consider what Dr. Lawson pronounces to be "the great mistake" made by the Malthusian school. "They, for the time," he says, "regard man in only one point of view, as a consumer, forgetting that he is a producer also. It is quite obvious that if the same supply of products could be ensured, and that the number of those who were to use them were diminished, the condition of the community would be improved, for every individual would have a greater share than before: but what warrant have we for supposing that the same supply would continue to be furnished after our numbers were diminished? This is an enquiry they forget to make." Now, it seems to me that it is Dr. Lawson who drank of the waters of the Lethe, and not his opponents. They have not been blind to the obvious fact that, in any given state of the efficiency of labour, if the number of labourers be diminished, the *absolute* amount of the produce must be diminished also. But they are aware that it is not on the *absolute* amount of the produce the comfort of a community depends, but on its *relative* amount, on its amount compared with the number of those that are to consume it; and they see that although, with a diminution of the number of labourers, the *absolute* amount of the produce will be diminished, yet its *relative* amount, and therefore the comfort of the community, will be increased. Now, Dr. Lawson seems altogether to have forgotten this; although it follows at once from that law to which I have had occasion to refer so frequently, and which is admitted by Dr. Lawson,—the law of the earth's diminishing fecundity. For if increasing the labour does not proportionately increase the produce, diminishing the labour does not proportionately diminish the produce.

The fact that the theory of Malthus has been abused has been employed as an argument against it. In opposition to measures advocated on the ground that they will increase the comfort of the people generally, persons have been found to argue that the increased comfort would be only temporary, inasmuch as the people are satisfied with their present state, otherwise they would not have multiplied down to it; that therefore an improvement in that

state would cause them to multiply more rapidly; and that as, according to the theory of Malthus, subsistence would not be proportionately increased, they would ultimately be no better off than before. Now the theory of Malthus lends no countenance to this conclusion. It indeed supplies a true major premiss to the argument; namely, that if, after the improvement, "the habitual standard of comfort of the labouring classes" be not raised, they will ultimately be as wretched as before. But it is not responsible for the false minor, that this standard will necessarily not be raised; nor consequently for the false conclusion, that the bulk of the people will after a short time derive no benefit whatsoever from the improvement.

Dr. Lawson winds up his Lecture on Population by expressing it as his opinion, "that the march of population may safely be left to the guidance of that Providence, who so controls the actions of individuals as to work out the results which, in His wisdom, are designed." This language, though dictated, I am well aware, by the most excellent motives, seems to me *in itself* repugnant to the dictates of reason and piety. It is repugnant to the dictates of reason, because it maintains the irresponsibility of man in a particular instance which has nothing to distinguish it from those cases in which he is confessedly responsible. I can see no argument to prove this *special* irresponsibility, which would not equally establish the *general* irresponsibility of man. What would be thought of the wisdom of the man who would sit down with his hands before him, and say, "The task of providing me with food may safely be left to Providence." And yet what possible reason can be assigned for taking no concern about the increase of man, which would not equally justify indifference respecting the increase of man's food? In fact, if either were to be disregarded, it would be much more reasonable to disregard the latter than the former; for the increase of subsistence does not depend exclusively on man, while the increase of his numbers does. The language I have quoted appears to me "repugnant to the dictates of piety," inasmuch as it recalcitrates against a burden which Heaven has plainly placed upon man's shoulders. "*Plainly placed*," I say; for that the Almighty has intended that man should *himself* regulate his own increase, is clear from the fact that he has entrusted him with full power of regulating it. Dr. Lawson's language, moreover, implies that if from the mode in which this power is exercised, misery follows, man is in nowise to blame for this resulting misery, which is to be set down among the inscrutable dispensations of Providence. But what is this save, in the language of Bishop Butler, to "*charge God foolishly*," by ascribing that to him, or the nature he has given us, which is owing wholly to our own abuse of it?" What is it but to "make our fortunes, and to call them fate?" In one sense of the words, indeed, we may safely confide to Providence the increase of the species. We may safely leave it to be regulated *by the nature which God has given man*; i. e. as I have explained in a previous part of this paper, to those parts of man's nature which are plainly stamped with authority over the rest—reason and conscience; and if we do this, we may rest assured that the result will justify our confidence. This is what Malthus and his followers

propose to do. But to take no concern whatsoever about it, saying it "may safely be left to the guidance of Providence," is to leave it *not to the guidance of Providence, but of that part of the nature of man which he has in common with the brutes.*

I have now considered most of the objections that have been made to the views of Malthus, and firmly believe that they have proved impotent to shake his theory. I believe *prudence in the matter of marriage*, Malthus' preventive check, to be the sole means whereby the condition of the labouring classes can be *permanently* ameliorated; while I would be far from disapproving of any change in the law calculated to give them a greater command over the comforts of life, though the improvement would be only temporary unless they were brought to regard these higher wages *as indispensable*, and so to refrain from a multiplication so rapid as by an undue increase of the supply of labour would necessitate the forfeiture of them. It is true that "the preventive check" exercises greater influence now than it did a century since; but it is not true that its influence is as great as every well-wisher of the labouring classes should desire to see it. Every effort accordingly should be made to strengthen its influence. It should be impressed on these Gibeonites, these hereditary bondsmen, that would they be free, themselves must strike the blow. "It should be understood," says Dr. Chalmers, "that the labouring classes have, in this way, though in this way only, their comfort and independence in their own hands. They are on high vantage-ground, if they but knew it; and it is the fondest wish of every enlightened philanthropist, that they should avail themselves to the uttermost of the position which they occupy. It is at the bidding of their collective will what the remuneration of labour shall be; for they have entire and absolute command over the supply of labour."

In conclusion, I would beg of you to bear in mind, lest I should appear presumptuous, as though I were setting *my* opinion against that of Dr. Lawson and Professor Rickards, that the views I have laid before you are not my own. "*Non meus hic sermo, sed quæ præcepit Ofellus.*" The theory is not *mine*, but one which Malthus was the first fully to develope, and which has subsequently been endorsed by Ricardo, Chalmers, Mill, Senior, and other illustrious names. I have merely annexed *my* name to that distinguished catalogue.

VII.—*On Partnership with Limited Liability.*—By P. J. M'Kenna, Esq.

GENTLEMEN,

Although I have, on a previous occasion, brought this question under the consideration of the Statistical Society, yet such is its importance, and such the difficulty which those appointed to inquire into the subject entertain, that I feel but little hesitation in returning to it, and deem that little apology will be required for again

trespassing upon your time. Since I had the honour of submitting to this Society the paper prepared by me on the subject of limited liability, a Commission composed of eminent and learned men, entrusted with the task of taking evidence and reporting upon the subject, has closed its inquiries, and submitted a report as the result of their investigations. It must be a matter of regret to the numerous advocates for the introduction of the *commandite* system, that the very eminent men of whom that Commission was composed, have been unable to come to a conclusion favourable to the proposed change in our laws of partnership. I shall take the liberty of calling your attention to the evidence taken before the Commission, and the report of the Commissioners; but before doing so, I should wish to notice some rather ingenious objections to the *commandite* system, while may be found in a series of articles upon the subject, contained in several numbers of the *Law Times* during the latter part of the year 1854.*

The ordinary objections of over-trading, unnecessary change, dangerous innovation, injustice to creditors, have been already fully considered. There is, however, somewhat of novelty in some of the reasons given by the writer referred to, which are urged with sufficient cleverness to render them deserving of an answer. The writer commences by defining "limited liability," as a system under which certain persons shall not, under certain circumstances, be liable to pay their debts. Now, the fallacy of that definition consists in assuming that the debts in question are the debts of the person proposed to be secured. With much more propriety might the Statute of Limitations, which provides that after the expiration of a certain number of years, debts shall be barred, be called a provision that certain persons under certain circumstances should not pay their debts. There are several objections of this kind put forward, involving the same fallacy, viz., taking for granted that the debts of the firm are the debts of every individual who advances money to the firm, and receives in return a portion of the profits. By the law as at present existing, it is true they are his debts; but if we find that law an arbitrary law, based on no reasonable grounds;—nay, more, opposed, as far as our judgments enable us to form an opinion, to expediency as to natural justice,—are we not begging the entire question, by stating that the proposed change would be a law to enable certain persons to escape payment of their debts?

It is admitted by the writer of the articles referred to, that to make a man who is entitled to receive but a hundredth share of the profits liable to his last penny, it may be for a tenth or for the whole of the losses, would be grossly unjust; but he argues, if injustice is to be done, if some person must suffer, it is more equitable that the sleeping partner should suffer, as he does at present, than that the creditor should be at a loss, as he would under the *commandite* principle. That is, however, a proposition, the truth of which I deny. The man who lends his money to a firm, and is to receive in return a share of the profit, no matter how small, is at the mercy of every person connected with the management of the firm who has power

* Nos. for 8th April, 1854; 27th May, 1854; 29th July, 1854.

to contract for it. He is entirely without protection. If he lend £100, and is to receive a five hundredth part of the profits, he is liable to his last farthing for the debts of the partnership, no matter how contracted. Under the limited liability system, the creditor would in several respects be placed in a much more advantageous position than the dormant partner under our existing law. He would have a full discretion as to how far he would give credit to the company; he could not be committed by the acts of any third person; he would have full means of knowing the capital and resources of the partnership, much fuller than the creditors of firms now possess, and any risks that he would run would be only such as are inseparable from every trade in which credit is given.

It is said by the writer referred to, that the advocates of limited liability have put forward the following arguments, which he attempts to refute as utterly fallacious. Let us consider how far he has been successful. It is a favorite argument for the *commandite* partnerships, that if persons are willing to deal on those terms of limited liability, they should be permitted to do so. This he states to be, in other words, enabling a man to avoid the payment of his debts, by giving notice that he would not be answerable for them. Here, as before, in his definition of limited liability, he begs the entire question, by assuming the debts of the firm to be the debts of every person who has advanced money to the firm on certain terms as to the use of their capital. There are no complaints against a law which permits limited guarantees to be given; and what substantial difference there is between one who becomes guarantee to a certain amount for a firm, and one who advances the same sum to a firm, it would be difficult to ascertain. Again, it is said that there is no necessity for any such law; that if the speculation be a prudent and reasonable one, there will always be found people ready to advance their capital to carry it on; and that those who object to an unlimited liability must have some knavish design of defrauding those who enter into contracts with firms formed on the *commandite* principle. This is not so; and we have only to look at those Joint Stock Companies which, organized under the principle of limited liability, have been productive of such great benefits both to the country and the individuals whose capital is engaged in them, and ask what possibility would there have been of effecting such great results, if we had clung obstinately to our present principle of unlimited liability in partnerships. Instead of saying that none but a knave would ask for the protection which a system of *commandite* partnerships would give him, it would be more correct to assert that none but a fool would place his entire property in peril by advancing capital to a number of men, no matter how high his opinion of their integrity and prudence, under the present system. At the risk of repeating what I have written on a former occasion, as regards the protection of third parties dealing with such firms, I would ask what sense is there in refusing permission to a capitalist to advance his money as a dormant partner, and receive a share of the profits which would leave at least the contributed capital to answer the demands of creditors, and at the same time allowing the capitalist to advance money to a firm, and receive 25 per cent. for it as he may now do, and

permitting him to come in, in case of insolvency, and claim as a creditor on the estate, instead of contributing, as he should do under the limited liability, to the fund for the payment of creditors? There is no system of trading, no recognized mercantile custom which is not liable to abuse and open to objections, and it would seem much the more reasonable way to judge of partnerships with limited liability, to compare them with existing customs and laws, and thus, after we have recognized in them principles of good and the means of supplying existing wants, let us ascertain whether they are not at least as free from evil if not less objectionable than existing laws. The writer in the *Law Times* concludes by recommending a course which, to a certain extent, concedes the principle which he is opposed to, and is open to one of those *sensible* objections which he has urged to the justice of *commanditaire* partnerships. His plan is that such partnerships might be formed, but that they should only have power to deal for cash, and that third parties should be bound by a notice to be given, that no credit would be taken by these firms. Now is not this plan open to the objection already suggested by him, as to the injustice of allowing notice of any kind to interfere with or limit the liabilities of the parties concerned in such firms? and might we not object to this plan what he has already said of *commandite* partnerships generally, that it is a provision that, by giving notice, the parties concerned should not be liable to pay their debts? Such are the absurd contrarieties into which the opponents of *commandite* partnerships are led, in their endeavours to oppose a system against which no fair tangible objection can be urged. It would be a much safer course for those who oppose the introduction of the *commanditaire* principle, to confine themselves to general observations with which it is almost impossible to grapple, and to denounce any change as uncalled for, dangerous, opposed to existing principles, subversive of public credit, and leading to rash speculation and over-trading. By condescending to details, they are certain to find argument after argument either swept away, or, as in many instances, answered by its predecessor. I am aware that in more than one publication there have appeared articles condemnatory of the proposed change, and the only sentiments which such attacks can excite in the mind of any man who has considered the subject, are those of wonder and regret that writers will continue to repeat objections all of which have been already answered, as if repetition could add weight to what is trifling or give importance to absurdity. I regret being obliged to speak almost flippantly upon so grave and important a subject, but the pertinacity with which its opponents have rung the changes upon the same obsolete and futile objections to an amendment in our laws of partnership, would seem to require to be exposed to ridicule rather than met with serious reasoning and remonstrance.

It would be a grave matter to differ in opinion from the learned Commissioners who have reported upon this question, and to me most disagreeable to reflect upon the judgment of a body containing amongst its members two most distinguished judges, one a member of the Irish, the other of the English bench. I speak of the present Master of the Rolls in this country, and Mr. Justice Cresswell. When I find, however, that the members of that Commission differed in

opinion, and that the report was approved of but by a bare majority, as far as I can learn, I do not feel much hesitation in questioning the propriety of their decision and the accuracy of their opinions, the more especially when I have, to support my views, almost every legal man of eminence both English and foreign, political economist, and mercantile man who has given evidence upon the subject. It is also deserving of remark, that while the five other Commissioners give their opinions upon the subject separately in an appendix to the report, and more or less detailed reasons for those opinions, the two principal members, the eminent judges whom I have before mentioned, are silent upon the question, and leave us so completely in the dark, that, for aught we know, they either did not take part in the discussion or took opposite views. Be that as it may, the difference of opinion amongst the Commissioners leaves me at liberty, without assuming any extraordinary boldness, to question their decision, and inquire how far the reasons offered by some of them for taking an unfavourable view of any change or modification will bear scrutiny.

The report, (which certainly, as far as weight of evidence goes, seems hardly justified by the testimony of the parties examined), and also the detailed statements of Lord Curriehill, contain every objection previously argued against the system of limited liability, and already answered by those who have written in favour of the proposed change. I shall therefore content myself with taking up any new objections which have been suggested, or any old ones presented under a new form. In the report, one of the reasons given for deciding against any change is, that the Commissioners cannot discover any evidence of the want of a sufficient amount of capital for the requirements of trade. If one wished to special plead, it might be said that this is not what we complain of; our complaint is, that though there is capital in the country, it is not as freely invested in trade as it might and ought to be. The meaning, however, of the framers of the report evidently was that they had no evidence that trade suffered for want of capital, or that it might be extended if capital were to be more readily obtained for trading and manufacturing purposes. Now this is hardly a fair observation, as it puts the advocates of limited liability to prove a negative. We cannot deny that trade and manufactures are flourishing under the existing system. Does it follow from that fact that therefore there is no want of capital for trade? In discussing this point, some little confusion may be involved in explaining the word *want*. There is, in the sense it is used here, a want whenever more can be effected by an increased investment. In one sense it could hardly be said that the merchant who is worth a million is in want of capital; and yet, in the sense of the word as used here, and as regards this question, he wants capital no matter how immense his resources, as long as there is a field open or that can be opened for the employment of additional capital. How wide, then, would be the inquiry, and how difficult, if not impossible, to give anything like satisfactory evidence that there are branches of trade and manufacture which could not be further extended, and which would not reward increased industry and additional capital. Our reason tells us, and there are few who

would dare to deny, that if the reasonable protection which a system of limited liability would give the small capitalists were assured to them, an immense addition would be made to our trading and manufacturing capital. That the capital is in the country, and not in trade to the extent that it ought to be, or would be, under a fair law, is evidenced by the high price of the funds and the low rate of interest with which fundholders are contented. The report, for the reasons above offered, is safe in saying that the Commissioners had not evidence to satisfy them that there was a want of capital for trade. With the evidence they had before them, however, unless they came to the conclusion that the trade and the manufactures of the country did not admit of further extension, or that a further extension would not be desirable, they could not venture to say there was no want of capital for trade, or, to speak more accurately, that trade did not want more capital.

Another objection to the limited liability system, suggested in the report, and possessing somewhat of novelty, is that the new system would not tend to raise the reputation of British merchants either at home or abroad. I take it, by reputation is meant character and credit. Now, without entering into the discussion of so wide a general proposition, or how far the reputation of British merchants requires to be raised, it is odd, and if the subject were not so grave, would be amusing to find that this statement, whether supported by fact or not, answers one of the most serious and strongly urged objections to a system of limited liability, viz., that it would lead to over-speculation. Now, if the report be correct in the above statement, it would appear that the effect of the limited liability system would be to put those parties dealing with such firms more upon their guard, and instead of encouraging a system of reckless trading and credit, would have precisely the opposite tendency. Another objection has been put forward in the report, which, in addition to its novelty, is somewhat difficult of comprehension—that partnerships trading under the present system would be exposed to an unfair competition with those founded on the limited liability principle. It would have been only reasonable to expect that in dealing with a subject of so much importance, which had previously occupied so much time and consideration, and upon which the Commission had taken such a mass of evidence, those members of the Commission who composed the majority would, in their report, have gone at greater length into the merits of the question, and illustrated important general observations like that last mentioned. The only interpretation that suggests itself of this last objection is that partnerships with limited liability would be able to play a more hazardous game in the way of trade with greater safety, or rather at a smaller loss, than the firms subject to an unlimited liability. As I have already pointed out, the report pronounces positively that the effect of legalizing *commanditaire* partnerships would be to check somewhat the confidence of persons dealing with British firms; and as such persons could be justified in looking with suspicion only on those firms which had this protection, the *commandite* firms would not be able to play so extensive a game as the other partnerships, and would have in this way (and properly so) a more limited credit than the firms con-

ducted under the old system; and thus in proportion as its members were protected, would third parties, in dealing with the *commandite* partnerships, exercise a caution, and limit their credit and contracts. The Commission of 1851 expressed themselves upon this subject with a caution which one could hardly expect to be surpassed; they went so far, however, as to recommend that capitalists might be at liberty to advance money to firms for any period not less than twelve months, and receive in return such share of the profits as might be agreed on by the parties, without being liable beyond the amount of their loan, which was to remain to answer the demands upon the firm. A provision of this kind, although far from being adequate, was yet a step in the right direction, and conceding as it did the advantages of the system, should have been gladly accepted as so much wrung from the neglect and prejudice of legislators. This last Commission is, however, much more cautious, or rather much more averse to any change than its predecessor. When I say Commission, I would wish to be understood as speaking of the majority who settled and approved the report, and not of the entire body.

Three members of the Commission, Lord Curriehill (Mr. Marshall), a member of the Scotch Bench, Mr. Anderson and Mr. Robert Slaton give at some length, in an appendix to the report, their reasons for opposing the introduction of the *commandite* principle. Most of these are repetitions of objections previously urged and answered. On reading them over, I found a few observations to which I should wish as briefly as possible to direct attention. One of the first observations of Lord Curriehill is that an Act of Parliament in Ireland (The Anonymous Partnership Act) legalized the formation of partnerships on the *commandite* principle, and that it has fallen almost entirely into disuse; and he argues from this, that if the *commandite* principle were introduced, so little desirable would it be found, that people would not avail themselves of it. It is hardly excusable that one appointed to so important a function, bound in duty to inquire fully into a subject of such vast importance, should either have glanced casually at this Act, without going carefully through every section; or if he had done so, and found, as he might, restrictions and conditions imposed quite sufficient to deter persons from associating under that Act—restrictions and conditions, to which in my former paper I called the attention of the Society—that he should have entirely omitted, either from negligence or design, advertent to this all-important fact. I am happy to find that that most eminent judge, and perhaps one of the highest authorities in either country upon such a subject, (the Ex-Chancellor of Ireland, the Right Honorable Francis Blackburn) approves of the *commandite* principle, and considers that the Anonymous Partnership Act, by the unnecessarily stringent provisions which it contains, renders the concession almost useless. In a letter which he did me the honor of addressing to me on the subject, he says, “I always thought that the principle of our Act respecting Anonymous Partnerships was right, and regretted that it was frustrated by the provisions which clogged its operation.” In thus referring to the opinion of Mr. Blackburn, as regards the principle of limited liability, it must be understood that he has not adopted a conclusive

view of the subject, or of the means of rendering it effectual and safe. Lord Curriehill considers that as the *commandite*, or dormant, partners were, from their connection with the firm, co-owners of the partnership, co-borrowers of the money lent to the partnership, and co-contractors for the dealings of the firms, they should therefore be jointly liable. Granting all this, it is difficult to perceive how rights of this kind, as regards the partnership property and contracts, rights which only affect the partners *inter se*, should make any difference with regard to third parties. The fact that such partners are entitled in particular proportions to the stock and profits of the co-partnership, when this right is subject to the paramount claims of creditors, cannot affect those creditors. The question as to injustice is shortly this; the *commandite* partner says, "To a certain amount I make myself liable for the debts of this firm." With what show of reason can the creditor say, "You are entitled to receive a fourth of the partnership property, and although that claim is subordinate to mine, cannot affect mine, and although our contract was that you should be answerable for the engagements of the firm but for a certain sum, yet because you have as against your co-partners certain rights, which do not interfere with mine, you should be liable to your last penny for all their contracts, no matter how improvidently I may deal with them."

Another objection offered by Lord Curriehill is that third persons who enter into contracts with *commanditaire* firms, would not be parties to the contract which limited the liability of the *commanditaires*; and of this he gives the following example:—A and Co., of Glasgow, order goods of a merchant in London. The merchant knowing B, who is one of the *commanditaire* partners, to be a man of substance, supplies the goods on the credit of B, knowing nothing of B's limited liability, and when he is compelled to seek for payment, finds B sheltered by this proposed Act, and liable only to a certain extent. In advancing this argument, the learned commissioner loses sight of the important fact that A and Co., on their front, and by their co-partnership name would, according to the proper provision, intended to be inserted in the limited liability, disclose the fact of their being incorporated under that Act; and that the merchant of London, if he knew by their title that the firm was *en commandite*, and by sending to the public office appointed for the purposes of registration, he could ascertain the exact amount of B's liability, could hardly complain that he blindly supplied the goods on the credit of B's fortune.

After considering the effect of the proposed change on third parties, and the injustice likely to be inflicted on them, his attention is next directed to the protection of the persons composing such firms; and he proceeds to point out the unfair position in which the active partners, who should be liable *in solido*, would be placed, and the likelihood of persons of small capital foolishly engaging in such concerns; that the acting partners would lose their entire property by being forced by the *commanditaires* into wild speculations; and that they would lose the money invested by their hurrying to realise by hazardous engagements, large profits, relying on their limited liability. Now, in order to enter into hazardous, or any

other kind of speculation, there must be two parties; and it has been already put forward by the report, that parties would be slow in trusting such firms. It would be thus out of the power of the *commanditaires*, even if they were such desperate adventurers as it is taken for granted they would be, to engage in those extensive and dangerous undertakings as suggested. Even if they had both the will and the power to act thus, it must be borne in mind that it is quite beyond the province of a legislature to provide for the safety of fools and knaves, and that a want of ordinary caution and prudence in the management of affairs, can never be supplied by any code. It would be just as wise to forbid persons to lend money to any individual or body, lest they should foolishly trust their capital on insufficient security, as to say that *commanditaire* partnerships should not be permitted, lest people should rashly engage in them. It will be found that this observation answers every class of objection raised as to the danger to which the parties concerned in such firms would be exposed.

The case of young men of good character and intelligence, who have not means, and may be forced for the purpose of obtaining capital from their friends, to stipulate for a division of profits, which under the present law they cannot do with safety to the lenders, Lord Curriehill is disposed to think a hard one. Even here, however, he is sternly opposed to change, and suggests the following practical means of obviating the difficulty; that such young men should incorporate into every contract into which they should enter a proviso, that the persons who had lent them money, and who were, according to the partners, as being entitled to a share of the profits, should not be liable for those engagements. Now if we bear in mind that each person advancing money to a young man, and who in return should stipulate for a share of the profits, would place their entire fortune at his disposal, and thus leave the existing objection to claims of this character as it is at present, the perfect uselessness of the plan will be apparent; and if we consider, besides, the difficulties which any young man would experience in going to a merchant to purchase goods, or to a banker to get bills discounted, and making such a novel proposition, we shall hardly be disposed to give Lord Curriehill much credit for his plan. He concludes by the remark that though trade and manufactures are flourishing in France and other countries where the *commandite* principle is recognized, yet that as England is equally flourishing under the present system, that therefore we do not require any change. It would be as sensible to argue that because a man of sound and vigorous constitution, who indulged in excesses and dissipations injurious to most men, and yet enjoyed average health, as good if not better than that of a delicate man who lived regularly and carefully, that therefore the indulgence in dissipation and excess was not injurious. I mention this trite objection—which, admitting of an obvious answer, has been so often answered—for the purpose of calling attention to an additional observation of Lord Curriehill on this subject, which seems to afford as just grounds of complaint as his observation on the Irish Anonymous Partnership Act. He gives as a reason why *commandite* partnerships might work well in France, that the bankruptcy laws

are so much more strict in that country. Now, upon investigation it will be found that there does not exist such a very great difference between the bankruptcy laws of both countries. I have in my former paper on this subject called the attention of the Society to this matter, and shall not therefore venture to repeat the details there given. I think, however, that, pointing out, as I have carefully and fairly done, the material points in which the bankruptcy laws of the two countries differ, I am justified in saying (as I have before this tried to establish) that by a few clauses introduced into the Bill for the legalization of *commanditaire* partnerships, extending and modifying the penal sections of our present bankruptcy law, safeguards against fraud might be as effectually provided as by the French code.

Of the Commissioners who have given their opinions in separate statements, as already remarked, Lord Curriehill, Mr. Anderson, and Mr. Slator are opposed to the introduction of the *commandite* principle; Mr. Anderson, however, relaxes so far as to approve of the special loan system recommended by the previous Commission. Mr. Bramwell and Mr. Hodgson are in favour of the proposed change, and the two senior commissioners have not expressed any individual opinion. In looking over the statements of Mr. Slator and Mr. Anderson, I could not observe any arguments which had not been before stated, and which therefore to enter upon would be but taking up the question *de novo*. As I fear that I have almost reached the limits fixed by the Society for the length of papers, I must content myself with making a few general observations on the evidence taken by this Commission.

Beyond question, the weight of evidence is in favour of the change; and it is deserving of especial consideration that nearly all who have given evidence against the introduction of a law of limited liability, are such large capitalists that they have to a certain extent, a monopoly in extensive transactions, which would be materially affected by laws which would permit small capitals to be accumulated. Nothing can be farther from my intention than to charge these gentlemen with giving unfair or inaccurate evidence. But when self-interest is involved, it is impossible for a man to divest himself of all prejudice; insensibly and unintentionally his mind will be biassed, and he will take a partizan view of a case. There have been some moves in this matter in Parliament during the present session; and I trust that, ere long, notwithstanding the Report of the Commissioners, and the opposition of the capitalist interest, a measure which will confer so many benefits and be of such solid advantage to the middle classes will receive the sanction of the legislature.

VIII.—*Proceedings of the Dublin Statistical Society.*

EIGHTH SESSION.—SIXTH MEETING.

The Society met at the Royal Dublin Society House, on Monday, the 16th April, Charles W. C. Domville, Esq., D.L., in the chair.

Professor Hussey Walsh read a paper "On the relative expediency of defraying the expense of war by loans or by increase of taxation, considered with reference to the present financial system of the United Kingdom."

Dr. Hancock read a paper on "The excessive mortality of British residents in India, as affecting the choice of the Civil Service of the East India Company as a career for young men."

Eugene A. Conwell, Esq., was elected a member of the Society.

SEVENTH MEETING.

The Society met at the Royal Dublin Society House, on Monday, the 21st May, Thomas H. Todhunter, Esq., in the chair.

H. D. Hutton, Esq., read a paper "On the true policy of Modern Warfare and the principle of Maritime Seizures."

Dr. Hancock read a paper on "The effect of the Limitation of Parliamentary Title to Ireland, in promoting purchases of land by English and Scotch capitalists."

One of the Secretaries read a paper by Richard Dowden (R.), Esq., "On the connexion between the origin and localization of Diseases, whether usual or epidemical, and the over-crowding of Buildings in our Cities."

Thomas M. Archer, Esq., was elected a member of the Society.

EIGHTH MEETING.

The Society met at the Royal Dublin Society House, on Monday, the 18th June, the Provost of Trinity College in the chair.

Frederick G. Evelyn, Esq., read a paper "On the Malthusian Theory of Population."

It was announced by the Chairman that a paper "On Partnership with Limited Liability," by P. J. M'Kenna, Esq., was inevitably postponed from the lateness of the hour to which the discussion on Mr. Evelyn's paper had extended; but that it would be printed in the forthcoming part of the Journal of the Society.

The election of officers of the Society for the ensuing year then took place. The result of the ballot was as follows:—

President.

HIS GRACE THE ARCHBISHOP OF DUBLIN.

Vice-Presidents.

THE EARL OF ROSSE.
 THE BISHOP OF CORK.
 MOUNTFORT LONGFIELD, Q.C. LL.D.
 LIEUT.-COLONEL T. A. LARCOM, R.E.

THE PROVOST OF TRINITY COLLEGE.
 SIR ROBERT KANE.
 EDWARD BARRINGTON, ESQ.
 JONATHAN PIM, ESQ.

Members of Council.

JAMES A. LAWSON, LL.D.
 ROBERT BALL, LL.D.
 JAMES HAUGHTON, ESQ.
 THOMAS H. TODHUNTER, ESQ.
 CHARLES E. BAGOT, ESQ.
 JAMES W. MURLAND, ESQ.

PROFESSOR ALLMAN, M.D.
 SAMUEL M. GREER, ESQ.
 CONWAY E. DOBBS, JUN. ESQ.
 PROFESSOR LESLIE, LL.B.
 WILLIAM HOGAN, ESQ.
 HENRY DIX HUTTON, ESQ.

Treasurer.

WILLIAM F. LITTLEDALE, ESQ. 9, UPPER ORMOND-QUAY.

Secretaries.

W. NEILSON HANCOCK, LL.D., 74, LOWER GARDINER-STREET.
 PROFESSOR INGRAM, LL.D., F.T.C.D., 40, TRINITY COLLEGE.
 PROFESSOR HUSSEY WALSH, LL.B., 27, SUMMER-HILL.

IX.—Barrington Lectures for the Year 1855-6.

The following gentlemen have been elected Barrington Lecturers:—

Professor Moffett, LL.D.;
 Frederick G. Evelyn, Esq., A.B.;
 David Ross, Esq., A.M.; and
 Thomas M. Busteed, Esq., A.B.

From amongst the towns which applied for courses of Barrington Lectures, the following have been selected:—

Armagh, Clonakilty, Limerick, and Portaferry.

The application from Armagh was made by the Natural History and Philosophical Society; from Clonakilty, by the Borough Commissioners; from Limerick, by the Literary and Scientific Society; and from Portaferry, by the Mechanics' Institute.

X.—Notice respecting the Social Inquiry Fund.

It will be in the recollection of members of the Statistical Society, that the business of the Social Inquiry Society of Ireland, together with the residue of its funds, has been, by mutual agreement, transferred to the Statistical Society.

The sums necessary for conducting inquiries, are not, however, derivable from the general funds of the Statistical Society, but must be supplied by voluntary subscriptions of its members to the "Social Inquiry Fund." It is intended now to proceed with three inquiries which were pending at the period of the transfer above alluded to. For their completion, and the publication of the results, a sum of thirty-five pounds will be required in addition to the balance in hand.

Members who are disposed to contribute to the Social Inquiry Fund will please to send their names and subscriptions to the Treasurer, W. F. Littledale, Esq., 9, Upper Ormond-quay, or to one of the Secretaries.

XI.—Notice to Corresponding Societies.

In consequence of the new postal regulations, the publications of the Dublin Statistical Society will, for the future, be sent direct to the officers of Corresponding Societies, instead of to their Dublin addresses, as heretofore.

Members of Corresponding Societies are requested to take notice, that they are entitled to receive copies of the publications of the Dublin Statistical Society, post paid, on payment of 1s. 6d. for each session; that amount to be forwarded in postage stamps, or by post-office order, to the Treasurer, W. F. Littledale, Esq., No. 9, Upper Ormond-quay; or to Mr. Webb, 176, Great Brunswick-street.

JOURNAL

OF THE

Dublin

STATISTICAL SOCIETY.

JANUARY, 1856.

I.—Report of the Council at the Opening of the Ninth Session of the Society.

[Read November 19th, 1855.]

GENTLEMEN,

AT the commencement of this our Ninth Session, it will be satisfactory to the members to collect from the proceedings of the past year, that while the length of time during which the Society has maintained its position begins to entitle it to a place among the established institutions of the country, there are happily no symptoms of that cessation of progress which sometimes characterises these; but, on the contrary, with advancing years we find its efficiency increase, and it approaches maturity with all the energy and vitality of youth.

The number of communications brought forward at the meetings of the Society, and the importance and variety of the subjects they embrace, afford pleasing testimony of the activity and research of our principal contributors; and the unusually good attendance which there has been on most occasions, furnishes satisfactory proof of the interest taken in the proceedings by the general body of our members. A considerable proportion of the communications relate to questions arising in some measure in connexion with the present war. Out of the greatest evil not unfrequently some good arises, and it will afford a little consolation for all the sufferings and misery which necessarily spring from armed hostilities, if they lead to a

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solution of some of the important social questions they suggest, several of which, after having been eagerly canvassed during the last general continental war, have remained undecided ever since. Professor Leslie, in his essay on "Maritime Captures and Commercial Blockades," has questioned the policy of existing regulations as to the treatment of enemies' property found at sea, and suggested as a substitute an extension of the milder system adopted of late years by more civilized belligerents, in their intercourse on land with the subjects of hostile nations. Mr. Hutton, in a paper on "The True Policy of Modern Warfare, and the principles of Maritime Seizures," has entered more generally upon the international question, and has published the results he arrived at in a separate pamphlet deserving of attentive perusal. The interest now appertaining to everything tending to throw light on the real condition of Russia, has been turned to account by Mr. Wynne, and, under the title of "Russian Serfs and English Labourers," he has discussed some of the social resources of that vast country which ventures to carry on so sanguinary and obstinate a struggle with the bulk of civilized Europe. The subject of standing armies, as a necessary protection for the more polished against barbarous nations, has been considered by Mr. Jemison, and derives great importance from the practical test which existing events afford for measuring the accuracy of such speculations. And the financial questions to which war gives prominence have not been neglected; Dr. Hancock having brought forward a paper entitled, "What a Perfect Income Tax of Ten per Cent. would produce," in which he exhibits the vast financial resources which an income tax at that rate would open, if extended to all incomes from £20 a year upwards; and Professor Hussey Walsh, in an essay on "The Alternative of Loans or increased Taxation," having stated his grounds for objecting to all such sudden and considerable augmentations of the public burthens, as must follow from attempts to defray the entire cost of an expensive war without seeking the aid of the loan market.

But the war and kindred subjects have not made our members neglect the investigation of social topics of more peaceful and domestic bearing. Mr. Haughton has favoured the Society with some statistics given in evidence before a select Committee of the House of Commons on the vexed question of Public Houses. Mr. Dowden has given us an essay on some of the causes affecting the sanitary condition of large cities; a subject of absorbing interest, while the course of civilization tends to draw the inhabitants of so many localities into closer and closer proximity. The difficult question of Factory Education has been noticed by Mr. M'Kenna, who has also favoured us with a supplemental treatise on Partnerships of Limited Liability; a subject which an Act of Parliament passed last session has at length afforded an opportunity of submitting to the test of experience. And Dr. Hancock has brought forward a succession of brief essays, suggested by the different events and occurrences of the day. In connexion with the opening of the East India civil service to public competition, he has drawn attention to the excessive mortality of British residents in India, as an essential element to be taken into account by the young aspirant to office in that country.

The benefits of Incumbered Estates jurisdiction with parliamentary title has started the inquiry as to why they should not be extended to the rest of the United Kingdom, and what means might be adopted for bringing within their reach estates for life, at present subjected to the ruinous management, or rather mismanagement, of chancery receivers. And the heartless spirit in which poor-laws in some instances have been administered, has led him to question the propriety of the workhouse as a mode of relief for widows and orphans.

But one essay not bearing on any peculiar topic of the day has been communicated to the Society. The subject selected—the Malthusian Theory of Population—does not appear, at first sight, attractive; but, as treated by Mr. Evelyn, no such fault could be complained of; and the paper certainly gave rise to one of the most animated, interesting, and lively discussions which ever took place in our Society.

In former reports we had occasion to advert to the means adopted for extending the sphere of utility of the Society, by placing it in connexion with many of the scientific bodies established throughout Ireland, and a few of those in England. The arrangements originally entered into with this object in view are still carried out, and continue to afford satisfactory results. We are in communication with a considerable number of the literary associations of the Irish provincial towns, and from London we receive copies of the proceedings of the Society of Arts, Statistical Society, and Law Amendment Society, which are placed at the disposal of the council. But this year a step of another description has been taken for extending the operations of the Society, and we have sought to advance its utility yet further, by widening the scope of our investigation. The Society has been amalgamated with the Social Inquiry Society of Ireland, upon terms first agreed on by the joint committee of the council of each body, and finally adopted by this Society at an extraordinary meeting held in the month of March last. The terms of amalgamation are as follows:—

1.—That the objects of the Statistical Society shall be enlarged, so as to include those of the Social Inquiry Society; and, for this purpose, that the business of the Society shall be for the future the promotion of the study of Statistics, Political Economy, and *Jurisprudence*.

2.—That each member of the Social Inquiry Society shall, during the present session, be entitled to be admitted a member of the Statistical Society, without the payment of any entrance fee, and without ballot.

3.—That all the publications of the Social Inquiry Society shall be transferred to the Statistical Society, and shall be included in all future lists of its publications.

4.—That the balance of the funds of the Social Inquiry Society shall be transferred to the Statistical Society, for the purpose of commencing a trust fund in connexion with the Statistical Society; to be called the “Social Inquiry Fund.”

5.—That it shall be part of the business of the Council of the Statistical Society to apply the Social Inquiry Fund, and all monies

which may be added thereto, towards the promotion of scientific inquiries into social questions of public and general interest, in the same manner as the Council of the Social Inquiry Society are now empowered to apply the funds of that society.

6.—That on these terms being adopted at a meeting of each society, the Social Inquiry Society of Ireland shall be merged in the Dublin Statistical Society, and its existence as a separate society shall cease.

Of the business transferred in accordance with the preceding, the Report on Jamaica has been completed by Professor Hussey Walsh, and will shortly be published; and some further steps have been taken on the Savings' Banks question by Dr. Hancock, to whom the subject has been referred.

In former sessions, the interesting and eminently practical question of Decimal Currency has been brought before the Society on more than one occasion. During the session which has just closed, we have not been without using our endeavours to assist, as far as lay in our power, in bringing the matter to a satisfactory conclusion. We have co-operated earnestly with the Liverpool Decimal Association, in pressing the question on the notice of the public and the parliament, by distributing their pamphlets among our corresponding societies, and forwarding a petition in favour of Decimal Currency to the House of Commons, which petition, signed by the leading members of Council, including our President, the Archbishop of Dublin, has been presented by one of our society, Mr. Pollard Urquhart, member for the county of Westmeath.

The management of the Barrington Lectures on Political Economy continues to be confided to us by the trustees of the bequest; and we can refer with pleasure to the accounts received from several of the provincial towns of the lectures, lecturers, and attendance. Even in the small town of Trim, the numbers attending exceeded, on an average, one hundred, and on one occasion were so high as one hundred and sixty. The audience, we are informed, were highly gratified with the course of lectures, and expressed a hope that on a future occasion they might be favoured with another. This growing taste for economic science must be very pleasing to all who are interested in the successful working of the Barrington bequest, and the best results may be anticipated to flow from the diffusion of sound principles in this department of knowledge among the rural population and the poorer classes of our towns and cities.

Last May, from the highly qualified candidates who came forward, we selected as Barrington Lecturers for the current year, Professor Moffett, already so well known to us all; Mr. Evelyn, a graduate of the Dublin University; and Mr. Ross and Mr. Busteed, of the Queen's College, Belfast and Cork. Applications for courses of lectures were received from various provincial towns, and the courses of lectures for the year commencing last May, have been conferred on Armagh, Clonakilty, Limerick, and Portaferry. We trust it may be in our power, in the next Report, to record that these courses have proved as successful as the reputation of the lecturers, and the earnestness and position of the applicants, would lead us to anticipate.

Last September, the British Association for the Advancement of Science met at Glasgow; and the Statistical section, from which the plan of this society was originally taken, was attended and actively supported by several of our members. Mr. Locke brought forward a communication on "The Agricultural Labourers of England and Wales, their Inferiority in the Social Scale, and the Means of effecting their Improvement." And papers were read by Professor Hussey Walsh on "The Condition of the Labouring Population of Jamaica as connected with the Present State of Landed Property in that Island;" and "On the Price of Silver of late years as affording no correct measure of the general Value of Gold." The Association, it is expected, will meet in Dublin the year after next; and we have done all in our power towards promoting so desirable an event, by adding the invitation of the Society to the number of others which emanated for the same purpose from this city.

II.—*Address delivered at the opening of the Ninth Session of the Society,*
by Mountifort Longfield, Esq. Q.C. LL.D.

[Read November 19th, 1855.]

WE are now entering upon the ninth session of this Society, and the duration of its existence during a period of eight years must be a source of unfeigned gratification to all its members, as of itself affording a sufficient proof of the possibility of uniting Irishmen of all creeds and parties in one common object. Our meetings here have shewn how important subjects may be discussed in perfect harmony by persons sincerely anxious to arrive at truth. As a Statistical Society, our object is to obtain and diffuse a knowledge of facts and figures; or, more strictly speaking, of those facts which are most accurately expressed and compared by means of numbers. It is also the object of this Society to hold discussions on political economy, especially on subjects admitting of statistical illustration. I should have deemed it unnecessary to say anything in defence of the utility of such investigations, if I had not lately seen some importance attached to a quotation from an eminent statesman, who is reported to have said that he could prove anything from *facts* and *figures*. Such an assertion could only have been made in ridicule of the manner in which persons sometimes invented facts and figures, for the purpose of supporting their arguments. The best preventive of such a practice is the general diffusion of statistical knowledge, whenever any company will contain men competent to judge of the truth of such statements. Universal ignorance encourages and supports audacious and reckless statements. Every party will (and that, too, very often in perfect good faith) make statements of facts in accordance with and support of their own particular views. The reasoning may be fair, assuming the facts to be as stated; and thus it often happens that our opinions induce us to credit facts which, by a

sophistry of which we are unconscious, we bring forward in support of those opinions. If the entire question at issue between two persons or parties obviously depended upon certain facts, their truth might be investigated, and the dispute decided; but when certain facts and figures are brought forward in support of perhaps only one argument out of several tending to the same conclusion, we may be certain that the foundation of such arguments will never be submitted to a satisfactory investigation. The ordinary patience of humanity would not stand such a process; the interest of the dispute would die away, and one party would obtain and enjoy the victory, while his adversary was collecting and comparing facts to refute the statements by which the victory had been obtained.

The most perfect remedy for this source of error is the collection and dissemination of statistical facts, collected without regard to any special views, and published in such a manner that they may be examined and compared as truths interesting for their own sake, and independent of any argument to be deduced from them. When such facts are annually collected and published, they are subjected to a more skilful and impartial examination than would otherwise be applied to them.

Among the proofs that statistical knowledge is highly prized and well cultivated in Ireland, I may refer to Thom's Almanac and Directory, containing as it does a mass of the most interesting statistical information respecting Ireland, such as I believe could not have been furnished in any other age respecting any other country. This almanack requires much care and skilled labour, and considerable expense must be incurred in its preparation. But it is published as a commercial speculation, and it is reasonable to presume that unless there existed a large demand for such information in Ireland, the able and enterprising proprietor of the work in question would before this have turned his abilities and capital into some other channel; instead of which, we find increased stores of information in the volume in each succeeding year.

Of this mass of information regarding Ireland, the agricultural statistics afford the surest indication of its progress in wealth and industry; and on this head we are supplied with very full information, owing to the wise orders first made by Lord Clarendon in 1847, and pursued steadily since that period. Returns are obtained every year from the constabulary, giving an account of the number and size of the farms, duly classified in every district; of the quantity of land under each kind of crop; of the average produce of each kind per acre; and of the quantity and value of live stock of every description. In the latter valuation, the same kind of stock is valued at the same price (and that a moderate one), in successive years, without any regard to the fluctuations in their market value. Thus, every change which the returns shew in the value of the stock indicates a corresponding change in the number.

In procuring this information, I have the authority of the Registrar General, who has applied himself with the greatest zeal and ability to the collection and arrangement of those returns, for stating that, without exception, the peasantry, small farmers, and all classes afforded every assistance to the constabulary. At first sight, this

may appear a fact scarcely worthy of observation; but there are circumstances which lead me to consider it as an important, surprising, and pleasing fact. In the first place, the information given to the constabulary by the peasantry is entirely and purely voluntary on their part, and of that they are perfectly well aware. Every man knew perfectly well that without exposing himself to the slightest punishment or inconvenience, he might refuse to tell the extent of his farm, the quantity of land he had under different kinds of crops, and the number of horses, cattle, sheep, pigs and poultry that he possessed. In the next place, we are to bear in mind that, although the returns are given to the public in gross, they are first collected in detail by the constabulary. The returns sent to Dublin contain the name of every occupier, the size of his holding, and the amount of every kind of crop and stock which he possesses. It would not be at all surprising if the people should feel some apprehension at such minute inquiries into their private affairs, and fear that such knowledge so obtained might be made ancillary to taxation. The readiness with which those enquiries were met seems to prove a growing opinion among the people, that government is a thing intended for the good of all, and that the information which it possesses will in general be used to promote the public benefit. It also shows that the appreciation of the use and object of statistical science is becoming more general than it was formerly. Some of us may remember the opposition which the Ordnance Survey had to encounter in many parts of the country, and yet how little there was in it to alarm any one's apprehensions, compared with the enquiries which are now answered without hesitation; for, in the Ordnance Survey, no enquiries were made into individual rights or properties. I am informed, also, that the published agricultural returns are read with great interest and intelligence in all parts of Ireland; and that the summary, which is now published at a much earlier period than when the system was first adopted, is known in time to be of assistance to the farmer in the course which he should adopt for the ensuing year. In this respect, Ireland presents a favourable contrast to the sister country, in which it has been found impossible to obtain the information that is so readily afforded here. Men of rank and influence in England have even advised the farmers to keep this knowledge as a secret to themselves, in order that they might be thereby enabled to sell their commodities to greater advantage to the ignorant public. This may be very cunning; but, in order to make use of the advice, it is necessary that the farmers should first have that knowledge which they are recommended to keep as a secret to themselves; and it seems evident that, in the absence of published agricultural returns, the farmer whose knowledge is chiefly confined to the details of his own farm, is likely to be over-matched by the corn-merchant, whose business compels him to make as full enquiries as he can through the whole extent of the land. The knowledge, however, possessed by either party is very vague, and is little more than a guess more or less accurate, according to the sagacity of the individual.

Many of us have no doubt seen a statement supported by a great many figures, and published under the authority of a name of well

deserved reputation. It was to this effect; that, owing to an increased breadth of land sown with wheat, and a higher style of cultivation applied to it, an average crop this year would be one fourth more than in ordinary years. But the deficient harvest makes it one tenth less than in ordinary years; and then follow the calculations with which I shall not trouble you, as the result must obviously be that the crop is one-eighth more than the average crop of former years. But in such cases, although the result follows immediately from the hypothesis, it answers the writer's purpose much better to give the figures and calculations at full length, for several reasons. In the first place, when an argument is composed of that sophism which logicians call a *petitio principii*, it is more likely to pass undetected, if the reasoning which draws the conclusion from the assumed premises is involved in some complication. The identity between the conclusion and the assumed premise is less apparent, when they are kept at some distance from each other, and a train of reasoning or calculation employing some mental labour is interposed between them. By such a process, also, as the calculations alluded to, different persons are misled even by opposite states of feeling. One man, to whose genius the comparison of large numbers is abhorrent, feels that he ought not to deny a conclusion founded on calculations which are offered to him for examination, and which he declines to examine. Another man, on the contrary, having a taste for calculations, goes through them all, and, finding them accurate, proceeds no farther. Few persons will examine carefully all the steps of a long argument; they are satisfied with taking a few steps in it as samples, and if these are found correct, will take the rest for granted. The samples taken will generally be the arithmetical calculations, as they are the steps in the argument on which the most certain judgment can be formed.

These returns also afford a gratifying proof of the progress which this island has made within the last fourteen years. I shall not go into the detailed calculations, as the general result is sufficient. The returns in 1841 give £19,399,843 as the total value of all the live stock in Ireland, horses, cattle, sheep, pigs, &c. In 1855, fixing the same price upon each kind of animal, the value is £32,988,390, being an increase of 13,500,000, (equivalent to 70 per cent.) in the number and estimated value of the live agricultural stock of Ireland in the space of fourteen years, and indicating a probable increase of four or five millions sterling in the annual value of the agricultural produce of Ireland. This increase of wealth chiefly belongs to the industrial classes, who are supported by their own industry, aided by a small active capital; though of course some portion of this greatly increased agricultural capital belongs to the wealthy who do not depend upon it for their comforts. But several circumstances connected with its nature and distribution shew that the increase has not been in any undue degree absorbed by the wealthy classes. I shall mention one or two, chiefly because they lie more upon the surface than other facts equally suggestive of the same result. The number of horses has increased within the year from 545,929 to 555,536, being an increase of 9,607 or 1 in sixty. Of these, the horses kept for amusement or recreation have increased from 23,813 in

1854, to 24,014 in 1855, being an increase of only 201, or less than one in one hundred. The increase in Connaught is more than in the whole of Ireland, shewing that in the remaining provinces, although the total number of horses has increased, the number kept for recreation has diminished. I may here observe, as an instance of the low value placed upon stock by the Census Commissioners, that eight pounds is given as the average value of a horse. If any gentleman doubts whether that is a low figure, let him put eight pounds in his pocket, and go to a fair to buy a horse with the money, and judge what kind of animal he can get for it.

Again, I find that cattle have increased in the year 1855 from 3,497,901 to 3,556,616, being an increase of 58,715, or a little less than 1 in 60; while the number of milch cows has increased in the same period from 1,517,672 to 1,557,595, being an increase of 39,923, or more than one in forty. This increase is chiefly caused by the greater number of small farmers who can afford to keep one or two milch cows. It is well known that milch cows are kept in a much larger proportion by the small farmers than by the large proprietors, who do not wish to depend much upon a stock which requires so much care and labour to make it profitable.

I have, however, to observe that in the year 1855, as compared with the year 1854, there is a considerable falling off in two articles of no slight importance to the small farmer, viz., swine and flax. In the former, the number has been reduced from 1,342,549 in 1854, to 1,174,224 in 1855, being a falling off of 168,325. I cannot account for the decrease, unless by supposing (it is a mere conjecture) that there was something connected with the time or the manner in which the returns were taken in 1854, that increased the number apparently of pigs under the age of one year; for it is in the young animals that the decrease has taken place. A comparison of the numbers returned for a few successive years will shew the grounds on which I hazard this conjecture, and may shew the convenience of having such returns made every year, and its effect in preventing hasty conclusions being drawn from the returns of any one year. In 1841, being the date of the latest return which was made prior to the famine, the value of the pigs, estimated at £1 5s. a head, was £1,412,813. This was reduced in 1849, the first return made after the famine, to £795,463, shewing a reduction of nearly one half. From that period, the number increased steadily, at the rate of about £100,000 a year in value, or 80,000 in numbers, until the return of the year 1853, which shewed a value of £1,431,181. From that, in 1854, the number increased suddenly to £1,678,186, being an increase of £247,005 in one year, or more than double the increase which had taken place in any of the preceding years. This increase was observable chiefly in the number of pigs under one year old. Thus, although the return for 1855 is less than the extraordinary number returned for the year 1854, it is greater than the number returned for any preceding year; and it exceeds by 44,000 heads, the number possessed by the people in 1841, when the population of the country was one million and a half more than it is now. There is nothing discouraging in this, when carefully considered.

I shall now make a few short remarks on the flax returns. These shew a cultivation of 97,192 acres in the present year, against 151,403 acres in the year 1854, being a decrease of 54,211 acres in the year; and a similar decrease may be observed by comparing the present with any of the four years immediately preceding. It is probable that this falling off may be attributed chiefly to two circumstances; first, the high price of provisions, which made the cultivation of wheat or any kind of corn more profitable than that of flax. This would be a very satisfactory cause; for it is best for themselves and for the country, that the farmer should cultivate chiefly those crops from which they themselves derive the greatest profit.

A second reason for the diminished cultivation of flax this year was, that it was carried on under an unnatural stimulus for three or four years preceding. Farmers were not left to act entirely on their own judgment, but were in many instances persuaded by lectures and addresses, that flax must be a certain profit to the cultivator in almost any situation, and under any circumstances. The difficulty of procuring a market for the produce was apparently obviated by promises made, in many instances, to purchase the crop at a remunerating price, as soon as it was pulled. The hopes thus excited were disappointed, and many who engaged in the cultivation of flax, with very little knowledge of the subject, but in confident expectation that when they had surmounted all the difficulties caused by their ignorance, they might at least be sure of a good and ready market for their crop, found actually that there was not any person within their reach who would purchase it on any terms. I have heard that in remote districts of Ireland, flax may be found two or three years old, which the growers have been hitherto unable to sell. Most of us have read their letters in the newspapers, complaining bitterly of the manner in which their hopes were disappointed, and warning others not to be led astray by the same delusion.

However, notwithstanding the falling off in this year, the number of acres cultivated in 1855 is greater than it was in 1841; being 97,192 against 83,445 in 1841, and in 1809 the number of acres under cultivation of flax was 76,474. The growth of flax is now almost entirely confined to Ulster; Cork being the only county in any of the other three provinces in which more than one thousand acres is under flax cultivation. On the whole, we have no reason to be discouraged at the apparent decrease in pigs and flax; though they have been deemed the chief source of the cottager's wealth, and the materials of his industry.

Among the various statistical returns which give information on the state of the country, none are more important than those which relate to the operation of the poor laws. On this head, the reports from the Poor Law Commissioners shew that the condition of the poor in Ireland is steadily improving every year. This improvement is such an agreeable subject of contemplation, that I cannot forbear stating a few facts and figures, although to most of those who hear me it must appear an idle repetition of what they already know. I shall, however, confine myself chiefly to the three years ending on the 29th days of September, 1852, 1853, and 1854. It is now a matter of history, that after the famine of 1847 pauperism

increased to such a degree, that more than two millions of people, i. e., about one-third of the entire population of the country, received either in-door or out-door relief during the year 1849. A steady reduction in the number of persons requiring relief then took place, so that the numbers relieved in the year ending 29th September, 1852, were 504,864 in-door relief, and 14,911 out-door relief; or, in round numbers, 520,000 altogether. In the year ending 29th September, 1853, the numbers were 396,436 in-door relief, and 13,232 out-door relief; or, in round numbers, 410,000 altogether; while, for the year ending on the 29th September, 1854, the numbers were 310,608 in-door relief, 9,008 out-door relief; or, in round numbers, 320,000 altogether; being a decrease of about 90,000 persons in the year, or 200,000 in the two years. Thus, notwithstanding the great decrease of pauperism that had previously been effected, a further decrease of about 40 per cent has taken place within the last two years.

Such statements as these would almost appear too good to be true, were it not that the returns furnished by the Poor Law Commissioners are given in such minute detail, and are so well arranged, that it is almost impossible that any serious error could escape detection. Some of those details shew the progress of a beneficial change in the condition of the country. Thus, the practice of paying the peasant for his labour in land, instead of money, has always been lamented as one source of the poverty and distress of the agricultural labourer. It made the labourer to a certain degree independent of the price of food. A deficient crop did not lead to increased exertion or increased economy during the early part of the year, and this frequently led to something approaching to a famine towards the end of the season. Thus, the month of June and the first week of July, until the new potatoes were ripe, was generally a period of privation, and frequently one of intense suffering. It was the famine season. This state of things had for some time an influence on the condition of the workhouses, making the number of paupers attain its maximum each year in the month of June. A change in this respect was observed about the year 1851; and now, and for the last four years, the maximum number of paupers in each year is found to be in February, viz., the period of the year when there is the least demand for agricultural labour, instead of the month of June, that period when the peasant's little store of potatoes is generally exhausted. The month of October is the time when the number of paupers is the least. The variation, according to the season of the year, is very considerable, especially in able bodied men and women; the number in the month of October not being half as great as in the month of February preceding. Thus, the number of able bodied men in the Irish workhouses in the week ending the 14th of October, 1854, was 3,793; while, in the week ending on the 4th of February, 1854, it was 10,348; and in the week ending on the 24th of February, 1855, it was 7,735. The total number of paupers in each of the same three periods was, in round numbers, 70,000 for October, 1854; 116,000 for February, 1854; and 100,000 for February, 1855. The returns for the week ending the 23rd September, 1855, the latest period to which I have

been able to procure information, shew a further diminution in the number of paupers, viz., 56,517 as the number in the workhouse, against 66,697 in the corresponding week of 1854, being a diminution of 10,180 in the course of the year. A proportional decrease may be observed in the number receiving out-door relief, which is now reduced to about 150. It is true that the high price of provisions has prevented the poor rates from undergoing a corresponding reduction. The expense of maintaining each pauper is, owing to the high price of provisions, about 36 per cent more than it was during the year 1851 and 1852; notwithstanding which, the whole amount raised for poor rates is less than one million sterling. The sum does not appear large when compared with other sums collected in a different manner for a similar purpose.

It is stated on good authority (which has never, that I am aware of, been controverted), that upwards of a million sterling is each year sent home to the poor in Ireland by their friends and relatives abroad. I extract the following passage from Thom's Almanack:—"The emigration from Ireland since 1847 has been carried on chiefly by remittances from those who had previously emigrated, and the Commissioners give the following statement of the amount of those remittances, which afford so honorable a testimony of the self-denial and affectionate disposition of the Irish. The contributions, either in the form of pre-paid passages or of money sent home by the Irish were returned to us as [I omit the previous years] in 1851, upwards of £990,000; in 1852, upwards of £1,404,000; and in 1853, upwards of £1,430,000." These sums shew that the sum raised by compulsory assessment from Irish property for the support of the Irish poor, is less than the sum voluntarily contributed for the same purpose by the Irish emigrants abroad, who, both in wealth and numbers, bear a very small proportion to the contributors to the poor rates.

Another circumstance noticed in the report, and which must tend to allay our apprehensions of the evil of hereditary pauperism, is the number of young persons not exceeding the age of 18 who leave the workhouse permanently, never to return. This number has exceeded 200,000 in the six years ending in 1854. Of these, no doubt, many have emigrated, but many must have procured permanent employment for themselves at home. We must remember that the emigrants, with few exceptions, must, in order to enable them to emigrate, have earned a comparatively large sum in addition to the cost of their support. It may be urged in reply, that our criminal records might furnish some explanation of the manner in which these persons obtain their support; but I believe that such is not the case. Of course, there will always be a considerable intercourse between the workhouse and the jail. Want of forbearance from present enjoyment and want of steady industry frequently lead to want, and want frequently leads to crime. Want increases the temptation to crime, while criminal habits are a certain road to want. But although it must therefore happen frequently, that the same person is at one time an inmate of the workhouse and at another time of the jail, this is not likely to be the case with the young persons who leave the workhouse never to

return. The absence is but temporary of those paupers who leave the workhouse, and pursue a course of crime. Their permanent absence seems to imply a course of steady and successful industry.

Another gratifying circumstance noticed in the report of the commissioners is, the rise which has taken place in the remuneration of that sort of labour which in Ireland was the most abundant, and was the worst paid. This increase in the wages of agricultural labour has been going on steadily, but almost imperceptibly, for some years; and now it amounts to about 50 per cent. on the former rate of wages. The report, after stating the returns made by the inspectors from many parts of Ireland, thus sums up the results:—"It is thus attested that universally throughout Ireland a more continuous state of employment of agricultural labour prevails, and that wages of one shilling per day are given where formerly the rate was four pence, six pence, or eight pence; while, in most parts of the country, a man's wages reach one shilling and sixpence, two shillings, or two shillings and sixpence per day at certain seasons of the year. We believe that to these facts another important element of an improved condition may be added. We allude to the greatly increased demand for the labour of females and young persons of both sexes, which materially assists in rendering the income of an average family more proportioned to their physical wants than it was formerly, notwithstanding the present very high price of the necessaries of life." Although this report does not assert that the condition of the labourer is yet what it ought to be, or what it may reasonably be expected hereafter to become, it shews a state of things which presents a striking contrast to the former condition of Ireland, as proved by authentic documents of very recent date. I shall, for obvious reasons, refer only to such as were made previous to the famine of 1846. Indeed, a comparison of the present year with any year since the famine would only prove that Ireland was recovering from the effects of that disaster, but would be quite consistent with the opinion that the improvement would cease as soon as the country returned to that which had been its average state before the year 1846. I shall therefore refer to the Report of the Commission of Inquiry into the Tenure and Occupation of Land in Ireland, which was printed in the preceding year. From this report I extract the following paragraph:—"In advertent to the condition of the different classes of occupiers of Ireland, we notice with deep regret the state of the cottiers and labourers in most parts of the country, arising from the want of continuous employment. It would be impossible to describe adequately the privations which they and their families habitually and patiently endure. It will be seen in the evidence, that in many districts their only food is the potato, their only beverage water; that their cabins are seldom a protection against the weather; that a bed or blanket is a rare luxury, and that nearly in all their pig and manure heap constitute their only property."

This strong statement is fully supported by the evidence, which also shows that in many districts it was difficult for a labourer to procure employment at the low rate of sixpence a day. We find landlords, gentlemen holding a high social condition in their counties, stating (as proof that they were not oppressors of the poor) that

they were willing to pay sixpence a day to their tenantry, when they required their labour. We find the utility of new roads desecated upon; and, among other circumstances, that the poor labourers were working on them at six-pence a day. This seems to have been the ordinary state of things in parts of Connaught; but extreme cases are stated, where men would be willing to work for four-pence a day if they could get regular employment at that rate for even two days in the week.

The reports from the poor-law inspectors show that the average wages in those districts are now double what they were in 1845; that throughout Ireland wages have increased about forty per cent.; and that the increase is still going on. It is not easy to form an adequate idea of the increased means of happiness arising from even a small increase of wages to the labouring classes. Every additional penny relieves some pressing want, or places some additional enjoyment within the reach of millions. We are not to consider it as any set-off against this blessing, that there is some complaint of the scarcity of labourers, and that there is sometimes some difficulty in procuring an adequate supply. This state of things is implied from an increasing rate of wages. You cannot have at the same time the rate of wages increasing, and good labourers idle and seeking for employment. When wages reach their maximum rate, there will be no difficulty in procuring good workmen to work for good wages.

However, although the balance of advantages is immensely on the side of high wages, still an increase of wealth, which to the rich is often only a snare, is even to the poor not always an unmixed good. It does not always happen that the respectability of the workman, or the comfort of his family, is in proportion to his wages; although without good wages comfort and respectability are scarcely within his reach. His natural wants are so pressing, that it seems difficult for him to avoid making a good use of his means. But we know that it is otherwise. He may procure better clothes, better food, better lodging for himself and for his family; he may have more hours to rest from his toil, more time to spend in mental improvement or innocent enjoyment; but he has also more means of getting drunk, and of spending more time in vicious idleness, or among worthless associates. Here it is that the community to which he belongs may come to his aid. Not that it can altogether restrain him by sumptuary laws or prohibitory enactments; he must be left a free agent, which implies the possibility of his going wrong; but it may do much to lead his wishes in a right direction, as it has done much to lead them astray. At present, when wages rise, he is beset with temptations to misapply the means of enjoyment thus placed within his reach. It is frequently made a subject of remark, that a very good workman is often an idle, drunken fellow, whose dissolute habits make it impossible for any employer to calculate on his services for any length of time, and that his fortune was apt to be less prosperous than that of inferior workmen. This ought not to be the case. There is no natural reason why a well paid workman should be more prone to vicious indulgence than his wealthier and idler neighbour. What is it that constitutes the difference between them in this respect? It is not poverty, or, more correctly speaking, the

absence of accumulated wealth ; for the term poverty is not correctly applicable to the condition of any man in full employment, merely because he is obliged to earn his bread by the sweat of his brow. But whatever temptations beset the man whose poverty is so extreme as to make existence itself precarious, few, I believe, would seriously assert that the moral or spiritual condition of the labourer is naturally inferior to that of his neighbour who is clothed in purple and fine linen, and who fares sumptuously every day. Indeed, so far as his temptations proceed from poverty, every increase of his wages should tend to remove them. But, if it is not poverty, still less is it likely that the necessity of labour is the circumstance which exposes him to temptation. We have all heard that idleness is the mother of mischief, but no one ever heard of industry being placed in the pedigree of vice or folly.

What then is the reason why, when wages rise, an increase of drunkenness is too often the result. If you asked an ordinary person the reason, you would probably get the rough and ready answer, that the workmen have nothing else to do with their money. The political economist would perhaps deny this, and shew they could advantageously save some of their wages, and lay up a provision for their family or for their own old age ; something which, if prosperity last, would place them permanently in a higher condition of life, or which should be a resource to support them if adverse times should deprive them of employment, or reduce their wages. This view of the matter is, however, a very partial one. I had the pleasure of once hearing a lecture from our President, on the effects produced on the heart and understanding by different professions. He shewed that there was frequently an illusion or source of error, intermediate between the *idola specus* and the *idola tribus* mentioned by Lord Bacon, being more general than the one, and less universal than the other ; not confined to any particular individual, nor yet common to the human race, but affecting generally those who follow some particular pursuit. Perhaps even political economists are not exempt from this source of error ; and if I were permitted to hint at it, I should say their prejudice would probably be to attach too much weight to the desire which exists among mankind for the accumulation of wealth. This prejudice does not tend to vitiate our reasoning while it is conversant only with questions of traffic and exchanges ; but, in other important problems, it will lead us very far astray. In many cases connected with the social welfare of the community, we have to consider numerous classes placed in circumstances in which the desire or hope of gradually accumulating wealth is so weak, as scarcely to deserve to be considered a principle of action ; and the legislator who relies much upon it will fall into many grievous errors. It is chiefly in that new department of enquiry introduced into this society, that problems occur which require for their solution something more than the ordinary principles of political economy ; as they depend not on the mere desire or capacity of man to make exchanges, but on the more subtle and complex qualities of his mental organization.

A great and most interesting problem for your consideration will be, what steps the state can take to direct, without coercing, the

tastes and habits of the labouring classes into the course most likely to be productive of happiness to themselves? What help can the state with safety give to assist them in the pursuit of innocent enjoyment? The expense ought not to be regarded, where anything can be done to improve their condition. The funds out of which such expenses may be defrayed can be readily obtained without imposing an additional burthen upon any class. I have already trespassed so much upon your time, that I will not venture to enter into details on this point. I shall only refer to some of them, premising that the labourers themselves will be both able and willing to contribute liberally to every scheme for their advantage. If they are required to contribute to the support of any institution, and to assist in its management, it will meet with more favor from them than anything in the support and management of which they have no part. The expenses, however great, may therefore be defrayed out of the money at present spent in the purchase of spirituous liquors, and out of the waste and loss occasioned by their use; out of the sums annually taken by thieves and robbers, and out of the expenses of guarding against them, of prosecuting them, and of maintaining them in prison. The reduction which might take place in the rates for the relief of the poor, would also leave a fund applicable to the prevention of pauperism, instead of to its relief.

Poor laws are viewed with apprehension by many political economists, as diminishing the inducements to a poor man to lead an industrious and frugal life, by insuring to him a support independent of his exertions. There is, doubtless, some weight in the objection; but in the moral sciences it is not necessary that we should either reject an argument as invalid, or submit to it as decisive. There may be, and, in the case of poor laws, the nation has decided that there are, more forcible arguments on the other side; and it only remains to administer those laws so as to secure the advantages which they were intended to confer; and at the same time, as far as possible, to avoid the evils apprehended from them. At present, the test most relied upon to prevent simulated, voluntary, or negligent reckless pauperism, is the necessity imposed upon the pauper of residing within the workhouse, and submitting to its regulations. The only sure way to increase the efficacy of this test, without harshness to those whom inevitable misfortune compels to submit to it, is by increasing the comfort, happiness, and respectability of those who support themselves by their own exertions. Wholesome, comfortable and cheerful lodgings, dry and airy public walks, innocent recreations, improved means of social intercourse, and intellectual gratification for the working classes, will be cheaply purchased at any price; for, independent of the direct happiness which they produce, they afford increased incentives to prudence and industry; they diminish the attractions of the dram shop, and increase the terrors of the workhouse and the jail.

III.—*A Plan for the reduction and ultimate extinction of the National Debt.*—by William Pollard Urquhart, M.P.

[Read December 17th, 1855.]

The embarkation of England in a war; the failure of the anticipations at first indulged in by some parties, that this contest could be carried on out of the revenue of the country; the recent addition of sixteen millions to the national debt, and the probability of its progressive augmentation during every year of the continuation of hostilities, all tend to impart interest to the question, whether any means should be taken to provide for the reduction or ultimate extinction of the debts incurred in the prosecution of past and present wars; and if so, by what means this object can best be effected.

Against any scheme for this purpose it may be alleged, that as the real evil of the national debt is rather the *having* unprofitably squandered away so much capital than any unproductive application of the taxes raised to pay its interest, the mischief has already been effected and cannot be retrieved; that whatever addition may now be made to the capital of the nation by paying off any portion of the debt, can only be effected by a further pressure upon the resources of the tax-payers, which may possibly cause a diminution of the savings of individuals, thus producing the very evil which it was intended to remedy; that even the relief that might ultimately be felt from any remission of taxes would be purchased by the present generation for the benefit of posterity, who, as the national resources increase, will probably feel the onus of any given amount of taxes much less than ourselves; and may at length come to regard the capital of the debt* “as a trifling incumbrance which may at any time be discharged;” that there is every reason to believe that in 1941 the debt which existed in 1841 may be considered as insignificant as that left by Sir Robert Walpole, when he quitted power in 1741, would have been in the latter of the two first mentioned years; and that the fears of the exhaustion of the credit of the country, and of the necessity of ultimately compounding with the national creditor, are as groundless as were the anticipations of that minister, that this country could not safely contract more than one hundred millions of debt.

To this it may be replied, that as it is probable that any part of the debt paid off will be regarded as capital by the receiver of it, and that as a part at least of the taxes are defrayed by the increased economy of individuals, and thereby taken from what would otherwise have been unproductively spent—the paying off any portion of it is equivalent to making an addition to the capital, and thereby augmenting the income of the nation, and making a provision for our increasing population. That though that part of the capital which has once been unprofitably squandered is irretrievably lost, much of the mischief effected by this loss may be remedied by increased economy on the part of future generations. That although

* Macaulay's Essays.—Review of “Southey's Colloquies on the Progress of Society.”

any arrangement that may be made by the present generation for paying off any portion of the debt, would be equivalent to taxing themselves for the benefit of posterity, it is as much the business of a nation as it is of the father of a family, to provide for its descendants. That as the evils of taxation are to a great extent prospective, it can be no objection to any system of finance that its benefits are so likewise. That as it is probable that the greater part of the capital of the debt which was paid off would be invested in this country, no diminution of the national income would thereby be caused. That its real effect would be merely enforcing the profitable investments of a part of the income of the nation—an object which must be admitted to be in itself highly desirable. That though there is every reason for believing that the resources of the country will continue to increase, nevertheless, no sanguine expectations of futurity ought to make us neglect the management that is dictated by ordinary prudence. That even though this increase may be regarded as tolerably certain, it is nevertheless subject to periodical depressions, caused by such events as the failure of a crop, either at home or in any of the countries whence we derive our supplies, interruptions to trade produced by panics, monetary crises, or commotions at home or abroad, on which occasion the embarrassment is considerably increased by the necessity of having to make fixed payments. That even though the national resources may increase, the value of the money by which the portion of these resources paid to the national creditor is measured may, by a variety of causes, such as the exhaustion of mines, more extensive demand for gold for the purpose of manufacture, commerce, or ornament, also increase, and thereby cause distresses or difficulties of the same nature as those that were experienced on the return to cash payments in 1819. That however hopeful may be the future prospects of the country, yet, as all manufacturing prosperity is unstable, it would be advisable for us to take advantage of such prosperity as we have while it lasts, to free ourselves from a part of our obligations. That as taxation has a tendency to prevent the investment of capital in this country, it would be advisable to take any steps by which its weight will be lessened ere the circumstances which have caused its influx hither, in spite of this disadvantage, may cease to exist; that the probability of increasing foreign competition in many of those branches of industry, which at present make large additions to the income of the country, renders some provisions of this sort peculiarly desirable. And, finally, that as there may be some truth in the supposition put forth some time ago by a leading journal, that the financial plan of the government may not be without its effect upon those of individuals, it would be impossible to overrate the advantages of any plan that would tend to promote economy, providence, and good management among all members of the community.

The history of Europe is not without examples which shew the wisdom of making some arrangements for the discharge of the national burdens. The French Revolution of 1789, with all its concomitant miseries, is supposed to have been very much accelerated, if not to a great degree caused, by the derangement of the national finances. The decline, or, to speak more correctly, the almost stationary state

of Holland, is ascribable in a great measure to the weight of taxation, which scared capital from its soil, and of the custom and excise duties which rendered her merchants unable to face foreign competition, after the adventitious circumstances which had first caused her prosperity had ceased to exist. It is probable that these evils would not have been experienced, if, at the time of her monopoly of the carrying trade of the world, she had made arrangements to free herself from her financial encumbrances. And although the opinion of Sir Robert Walpole, that England could not bear more than one hundred millions of debt, has turned out to be fallacious, and though it may be hoped that the fears of Lord John Russell,* that the "period will some time or other, in all probability, arrive, when the payment of the full dividend and the safety of the state shall be found to be incompatible," will be found to equally incorrect; nevertheless, national bankruptcies and compositions with the public creditor—either by lowering the standard of coin or otherwise—have not been unknown in Europe; and such an occurrence, calamitous to any nation, would be totally destructive of a country so dependent on its credit, and containing classes so mutually dependent on each other's credit and solvency as Great Britain.

No plan has been more undeservedly extolled or more unjustly blamed than the Sinking Fund of Mr. Pitt. The principle of the plan was, that the Commissioners for the Reduction of the Debt were to borrow money to purchase government stock, and to devote to the same purpose both the dividends received on the stock, and the interest that accrued from the annual addition that was thus made to it. Its real virtue was, that it laid each successive government under an obligation to raise a revenue exceeding the expenditure, by a sum equal to the interest on the money borrowed for this purpose along with the dividends of the stock that was purchased therewith, and to devote this annually increasing excess to the payment of the debt. As a systematic plan of discharging the former debts out of the yearly revenue of the country, it was deserving of praise. As an awkward, roundabout way of doing what might appear a very simple thing, it afforded fair subject for ridicule; but it was, nevertheless, well calculated to effect the purpose for which it was designed, and its abandonment cannot but be matter of regret to all those who wish to see the capital of the debt diminished.†

It is almost needless to say that every plan for the accomplishment of this object must presuppose an excess of revenue over

* Essay on the English Constitution. Chapter on the National Debt.

† I have heard the following humorous illustration of Mr. Pitt's Sinking Fund. "An Irish landlord was anxious to pay off a mortgage of £10,000 during his life. To effect this, he mortgaged his estate for an additional £5,000, which sum, paid at once into different insurance offices, sufficed to insure his life for £15,000. On being asked why he did not insure his life for £10,000, by the payment of an annual premium, instead of borrowing an additional £5,000, he replied that he had an extravagant wife who would never have allowed him to continue to pay the annual premium punctually, but that the payment of the interest of the £5,000 for which he had mortgaged his estate was a compulsory engagement which he could not be induced to violate. The plan of our countryman is, of course, open to the same ridicule as was Mr. Pitt's, viz., that of borrowing in order to pay off; nevertheless, it effected its object, and so would Mr. Pitt's Sinking Fund if it had been persevered in.

expenditure. Even if it were not advisable to make any provision for the payment of the debt, common prudence would suggest the maintaining this excess. Neither nations nor individuals, who in ordinary years live up to their incomes, can be in comfortable financial circumstances. It has been too frequently the practice of chancellors of the exchequer to ground their financial calculations on a revenue which, according to their anticipations, should exceed the expenditure by only one or two hundred thousand pounds. The consequence has been that, whenever any check on the prosperity of the country has prevented the full realisation of their expectations, the revenue has been insufficient to meet the expenditure; the public mind has been agitated by the prospect of imposing fresh taxes; the money-market has been disordered by the prospect of a loan being required by the government; exchequer bills, deficiency bills, and such like expedients have been resorted to; and the general credit of the country has been shaken.* If, however, our finance ministers were to ground their calculations on the collection of a revenue which should, in times of average prosperity, exceed the expenditure by at least one million, all these evils would be avoided. In ordinary years, these excesses would leave a considerable balance in the exchequer, which might afterwards be applied to the payment of the debt. Whenever the revenue fell short of their expectations, all the embarrassments now caused by such deficiencies would be avoided.

Secondly.—At periods when money was abundant, the government might make arrangements to pay off part of the debt by terminable annuities. In addition to the advantage of such engagements being compulsory on successive governments, the country might, by choosing times at which such transactions in the money-market could be favourably effected, free itself of a certain actual amount of debt by a smaller excess of revenue over expenditure than would otherwise be necessary. Of course this plan should be adopted only when a steadily increasing revenue rendered it probable that the engagements entailed thereby might be fulfilled without the imposition of an additional tax. It appears to me certain, however, that this expedient, combined with the method of management already proposed, might free us from all apprehensions as to the ultimate consequences of the debt.

If the revenue were to continue, as it has done hitherto, progressively to increase, and the annual charge were to be diminished by the interest of a portion of the debt paid off each year, there would be a continually augmenting surplus in the hands of the chancellor of the exchequer. A part of such surplus would, of course, be absorbed by the carrying out of the suggestion of occasionally converting some of the debt into terminable annuities. But as the whole of the surplus need not be so appropriated, and as the necessary expenditure would ultimately be diminished by the termination of these annuities, it is obvious that a government, while it carried on a system of finance for the payment of the debt, might also take off those imposts which are most obnoxious to the payers, and press most severely upon the industry of the country.

* Of course this reasoning is applicable only to the time of peace.

Before attempting to form any calculation of the rate at which the debt may thus be paid off, it is necessary to make some estimate of the probable annual increase of the revenue in a time of peace. At the conclusion of the war in 1815, the revenue amounted to £72,210,312, which, allowing a diminution of ten per cent., or £7,221,031, for the change in the value of money consequent on the return to cash payments, is equivalent to about £64,989,281 of the present currency. That of 1845 was £53,060,354, which was less than the former by £11,928,927; say, in round numbers, £12,000,000; but in the meantime there were repealed taxes that used to yield £50,000,000, while others producing £13,000,000 per annum have been imposed in their place; so that during the first thirty years of the peace the nation was freed from burdens to the amount of £37,000,000 per annum. But as the revenue of 1845 fell short of that of 1815 by less than £12,000,000, it follows that the same taxes produced at least £25,000,000 more in the former than in the latter year. The average annual increase, therefore, of the produce of the same taxes during that period must have exceeded £800,000 per annum; but for fear of making any over-estimate of the buoyancy of the revenue, I shall assume a probable increase of revenue to the amount of £700,000 per annum, and make it the basis of my calculations.

In the year 1860, long annuities amounting to £1,294,089 10s. 6d. expire; and as the same year will be the seventh year of the war, it may not be unreasonable to hope that, assuming it to continue for the same period as did those which begun in 1741, 1756, and 1776, it may also be the last. It will, therefore, be convenient to select that year as the one in which the proposed operations on the debt are to commence; and, for simplicity sake, we shall also assume that the chancellor of the exchequer, whoever he may then be, will frame his budgets so that the probable revenue may exceed the expenditure by about £1,000,000 per annum; and that, as after the peace of 1815, the annual increase of the produce of the same taxes will be not less than £700,000.

The constant accruing of this increase for seven years, from 1860 to 1867, ought to produce a surplus amounting in the latter year to £4,900,000. (1)

The annual surplus of £1,000,000 applied in the meantime to pay off debt will have diminished the permanent charge by the interest on £7,000,000, which, at three per cent., amounts to £210,000. (2)

In addition to this, it is probable that at least one half of the life annuities, and of the Tontine annuities granted previously to the year 1846, will have expired. As these, in the above year, amounted in round numbers to £1,000,000 per annum,* we may

* Accurately.—Life Annuities . . .	£962,983
Tontine do. . . .	18,010
Do. in Ireland . . .	34,230
Do., do. . . .	6,524

£1,021,747

therefore expect in the year 1687, fixed on above, an additional diminution in the annual charge amounting to

£500,000; (3)

besides which, there were granted annuities at different times, which, in the year 1846, amounted to £1,065,513, of which it may be assumed that

£500,000 (4)

will have fallen in before the year 1867.*

In this year, also, the long annuities granted by 4 George IV., cap. 22, amounting to

£585,740 (5)

will have expired.

The addition of the sums marked (1, 2, 3, 4, and 5,) will give

£6,695,740

as the probable available surplus which in 1867 the taxes of 1860 may be expected to yield.

Of this sum, I would recommend that one half be applied to the remission of taxation, the other half to the extinction of the debt, by the conversion of the permanent charge into terminable annuities. It may be assumed that in years of average prosperity, the government may borrow money on terminable annuities of twenty-two years, at six and a-half per cent., the rate at which it was able, without loss to itself, to make advances under the Land Improvement Act; and we may therefore, without risk of error, make this rate the basis of our calculations on the subject. Every £100 three-per-cent. stock so redeemed will impose an additional annual charge of £3 10s. for the abovementioned period. One half of the above surplus of £6,695,740, say, in round numbers, £3,300,000 so appropriated, will suffice to redeem £94,285,704 three-per-cent. stock, by the process suggested. We may therefore say, in round numbers, that £90,000,000 of the capital of the debt may thus be dealt with between the years 1860 and 1867.

Again, in the year 1889, after all the annuities granted for twenty-five years before 1867 will have expired, the annual income of £700,000 will have amounted to a further surplus of

£15,400,000. (1)

The paying off £22,000,000 of debt, by devoting £1,000,000 a-year to that purpose, will have caused a saving equal to the interest on that sum, amounting at three per cent. to

£660,000. (2)

The expiration of the annuities which I have supposed to be granted in the year 1867, being six and a-half per cent. on £90,000,000 of the debt, will leave a third surplus equal to

£5,850,000, (3)

and it is probable that out of the sum of 1,000,000 per annum, which I have supposed will in 1867 remain unexpired, out of the Tontine annuities, life annuities, and others, granted at various

periods, amounting in 1846 to upwards of £2,000,000 per annum a further sum amounting to

£800,000 (4)

will have expired.

The addition of the sums marked (1, 2, 3, and 4,) gives

£22,710,000

as the probable surplus that may be disposed of between the years 1867 and 1889.

Of this surplus I would recommend that, as before, one half be devoted to the remission of taxation, the other to the redemption of the permanent debt by means of terminable annuities. Say then, for the sake of simplifying the calculation, and being at the same time under the mark, that there were devoted to this purpose £10,500,000 per annum (considerably less than half the abovementioned surplus), which would suffice to convert £300,000,000 of the three-per-cent. stock into annuities of twenty-two years, yielding six and a-half per cent. interest on the capital sunk in them.

By continuing the same system of finance for another twenty-two years, we should have in the year 1911 sums equal to those marked 1 and 2 in the last calculation, arising from the same causes being in operation for the same period of time, which will leave, as before, surplusses of

£15,400,000 (1)

and 660,000. (2)

Moreover, as the long annuities, amounting to

£19,500,000, (3)

six and a-half per cent. on 300,000,000 supposed to have been granted in or before the year 1889, will also have expired in or before the year 1911, we shall have, by the addition of the sums 1, 2, and 3,

£35,560,000,

as the total surplus that will then be at the disposal of the government.

£17,500,000, or less than half this surplus, will suffice to convert 500,000,000 three-per-cent. stock into terminable annuities, yielding six and a-half per cent. per annum for twenty-two years.

Before that time, the plan of finance here proposed will have diminished the debt.

First, by the annual devotion to that purpose of £1,000,000 per annum from 1860 to 1911, or fifty-one years, amounting at the end of that time to

£51,000,000. (1)

Secondly, by three-per-cent stock converted into terminable annuities, amounting in 1867 to

£90,000,000, (2)

and in 1889 to £300,000,000, (3)

making a total of 441,000,000, as given by the addition of the sums marked 1, 2, and 3.

And it is to be hoped, that neither by the present nor any future war, will the capital of the debt have been so augmented as that the remaining portion of it will exceed the sum of £500,000,000,

which the resources of the country will then enable it to deal with in the manner suggested.

In the above calculations I have assumed the great operations in our debt to be effected in the year 1867-1889, and, subsequently, when the annuities granted for twenty-two years at the above periods would expire. But I do not for one instant suppose that operations of this nature would be made merely at such long intervals and on so great a scale at once; of course the government should choose its own times for dealing with the debt, and the annuities into which the debt would be converted would be for many other periods besides those that I have assumed of twenty-two years; but if my calculations are not incorrect, they are quite sufficient to show what may be done by dealing with the national debt on the principles here suggested, viz., raising a surplus revenue of £1,000,000 per annum, and devoting half the increase of the revenue to the conversion of the permanent debt into terminable annuities.

Should it be found impracticable in the money market, to borrow money on terminable annuities for the purpose of paying off the capital of the debt, the same result may be arrived at by investing in the hands of commissioners appointed for the purpose—say the present Commissioners for the reduction of the National Debt—each year, half the annual increase of the revenue, which, in the plan above proposed, it was supposed would be applied to the converting the permanent debt into terminable annuities; authorising them to purchase stock therewith, to retain in their hands the stock so purchased for any given number of years, and to apply the dividends arising from the said stock each year to the purchase of additional stock, to remain in their hands in the same manner.

It is easy to find an algebraical formula, expressing the amount of debt that would thus be paid off after any number of years; thus, let $2a$ be the probable annual increase of the revenue, of which it is proposed that one half should be applied to the redemption of the debt in the manner explained.

Then the sum applicable to the extinction of the debt in the 1st, 2nd, 3rd, n^{th} year after the commencement of the plan, will be a , $2a$, $3a$, $n a$ respectively; and if $r-1$ be the interest per cent. afforded by the purchase of stock, the above sums at the end of the n^{th} year will have increased, by compound interest, to

$$\begin{aligned}
 & ar^{n-1}, 2ar^{n-2}, 3ar^{n-3} \dots \overline{n-1}ar, na, \\
 = & ar^{n-1} + ar^{n-2} + ar^{n-3} \dots + ar + a \\
 & \quad + ar^{n-2} + ar^{n-3} \dots + ar + a \\
 & \quad \quad + ar^{n-3} + \dots + ar + a \\
 & \quad \quad \quad + \dots + ar + a \\
 & \quad \quad \quad \quad + ar + a \\
 & \quad \quad \quad \quad \quad + a.
 \end{aligned}$$

$$\begin{aligned}
 = & a \{ r^{n-1} + r^{n-2} + r^{n-3} + \dots + r + 1 \} \\
 & + a \{ r^{n-2} + r^{n-3} + \dots + r + 1 \} \\
 & \quad + a \{ r^{n-3} + \dots + r + 1 \} \\
 & \quad \quad + a \{ \dots + r + 1 \} \\
 & \quad \quad \quad + \dots \\
 & \quad \quad \quad \quad + a(r+1) \\
 & \quad \quad \quad \quad \quad + a.
 \end{aligned}$$

•

$$= a \frac{r^n - 1}{r - 1}$$

$$+ a \frac{r^{n-1} - 1}{r - 1}$$

$$+ a \frac{r^{n-2} - 1}{r - 1}$$

+ . . .

$$+ a \frac{r^3 - 1}{r - 1}$$

$$+ a \frac{r - 1}{r - 1}$$

$$= \frac{a}{r - 1} \{ r^n + r^{n-1} + r^{n-2} + r^3 + r - n \}$$

$$= \frac{a}{r - 1} \left\{ \frac{r^{n+1} - 1}{r - 1} - (n+1) \right\}$$

If, as before, we suppose the annual increase of the revenue to be £700,000 per annum, and three per cent. to be the rate of

interest in the time of peace, and £350,000, or one half of the annual increase of the revenue to be applied to the extinction of the debt, the above formula will give

$$\frac{350,000}{.03} \left\{ \frac{(1.03)^{n+1} - 1}{.03} - (n+1) \right\}$$

$$= \left\{ 11,666,666 \right\} \left\{ \frac{(1.03)^{n+1} - 1}{.03} - (n+1) \right\}$$

Or, if we suppose that in addition to the annual increase of revenue of £700,000, the government has a further annually increasing surplus of £30,000, arising from the interest of £1,000,000 debt actually paid off each year, half of which is applied to the same purpose, the above formula will give

$$\frac{365,000}{.03} \left\{ \frac{1.03^{n+1} - 1}{.03} - (n+1) \right\}$$

$$= \left\{ £12,166,666 \right\} \left\{ \frac{1.03^{n+1} - 1}{.03} - (n+1) \right\}$$

It may be curious to remark how the same result might be arrived at by means of Mr. Pitt's sinking fund. For this purpose it would be merely necessary that the commissioners should, at the beginning of each year borrow a sum, the interest of which should be equal to half the annual increase of the revenue, apply it to the purchase of stock, and apply in the same manner the interest of the stock so purchased; the interest of the loan being, of course, paid out of the annual increase of the revenue.

If S be the sum thus borrowed at the beginning of each year, the quantity of stock purchased by the commissioners at the end of n years will amount to $(r-1)$ as before, S being the rate of interest,

$$Sr + Sr^{n-1} + Sr^{n-2} + \dots + Sr$$

$$= S \{ r^n + r^{n-1} + \dots + r + n+1 \}$$

$$= S \left\{ \frac{-1}{r-1} - 1 \right\}$$

which sum will be applicable to the redemption of the debt.

But, at the same time, the debt will have increased by the amount borrowed by the commissioners, which, at the end of n years, will be

$$nS$$

Therefore the debt will have been diminished by this process continued for n years, by an amount

$$\begin{aligned} & S \frac{r^{n+1} - 1}{r - 1} - S \cdot (n + 1) \\ &= S \left\{ \frac{r^{n+1} - 1}{r - 1} - (n + 1) \right\} \end{aligned}$$

to calculate S .

The interest of S must equal half the supposed annual increase of the revenue, continuing the same notation must = a .

$$\begin{aligned} \text{We have, therefore, } S \frac{r - 1}{r - 1} &= a \\ S &= \frac{a}{r - 1} \end{aligned}$$

and the above formula becomes

$$\frac{a}{r - 1} \left\{ \frac{r^{n+1} - 1}{r - 1} - (n + 1) \right\}$$

which exactly agrees with the preceding one.

IV.—*Observations on the Gold Crisis, the Price of Silver and the Demand for it; with answer to the question, "What becomes of the New Supplies of Gold."**—By Richard Hussey Walsh, LL.B., Archbishop Whately's Professor of Political Economy in the University of Dublin.

INTRODUCTION.—A few years ago, when we first heard of the astonishing discoveries in our modern El Dorados, and read of diggers finding miraculous nuggets, and realising fortunes at a single blow of the pickaxe, many began to imagine that sovereigns and half sovereigns would soon be as common as shillings and sixpences, and were almost ready to believe that the old legend of London streets being paved with gold might at last be turned into a sober fact. But when production at the diggings continued and augmented, and the value of gold exhibited no marked decline, public opinion ran into the opposite extreme, and numbers were not only disabused of their extravagant anticipations, but even became willing to allow that no change whatsoever should be expected. The first of these conclusions—an exaggeration generated by a striking novelty, and the

* Read before the Statistical Section of the British Association, Glasgow, September 14, 1855.

second—a natural consequence of a hasty condemnation of the former, are alike unreasonable. A decline in the value of either of the precious metals must proceed very slowly; as, owing to their natural qualities and the purposes to which we turn them, they are calculated to accumulate gradually from age to age, and thus to form so very great a supply, that the entire amount will be but little affected by the production of a few years, though unusually abundant; and the metal accordingly, within a similar period, will become but very little cheaper. But this is not the way the generality looked upon the matter. When there is a great harvest one season, the price of food falls forthwith; and careless reasoners apparently imagined that gold, like corn, should fall in value immediately after increased production had set in. It was not taken into account, that as most of the supply of corn any one year has been raised during the preceding, an unusually prolific harvest causes the entire amount of food the year following to be much greater than otherwise, and the article, therefore, to be much cheaper; while, as regards gold, the circumstances of the case are the reverse, and similar consequences cannot be expected.

It is needless, however, to follow out this branch of the question, as although three years ago, or so, it might have been desirable to explain why the recent discoveries would not bring down the value of gold with anything like the same rapidity that a plentiful harvest makes bread cheaper; yet at present, when the first astonishment has passed away, and the tendency of public opinion rather seems to be to run into the opposite extreme, it becomes necessary to point out the error of supposing that as no great change appears to have attended increased production hitherto, so also none is to be expected from its continuance at the same rate. That a considerable change in the value of gold is to be expected may readily be demonstrated; but, before entering on the investigation which leads to that result, I propose to consider whether there has not been as yet a greater depreciation of gold than most are disposed to imagine; and then to draw attention to some fallacies by which numbers persuade themselves that no important change in the value of gold is to be anticipated; or, at least, that if there should, its progress will be so very gradual, as not to bring about any of the injurious results which would ensue from a more rapid alteration.

CIRCUMSTANCES CONCEALING WHATEVER FALL IN THE VALUE OF GOLD HAS ALREADY TAKEN PLACE.—ANSWER TO THE QUESTION, “WHAT BECOMES OF THE NEW SUPPLIES OF GOLD?”—To ascertain if gold has as yet declined in value, it is usual to compare it with silver; which, it is thought, affords a safe measure, as there has not been so far any remarkable disturbance in the rate of production of that metal. Until within the last few years, the price of silver had been generally 4s. 11d. per oz., but since then it has risen a little, and seldom deviated much from 5s. 1d. This is not a great advance, and, such as it is, does not appear to be increasing very appreciably. It rose thus much a few years ago, and since that has remained pretty steady. So far, it is conceded, gold has grown cheaper; but the change is inconsiderable. Let us see if it be correct to infer from

this that the decline in the value of gold has been no greater than in the proportion of 4s. 11d. to 5s. 1d.; in other words, let us examine if silver itself has remained steady in value; for, unless it has, the variations in its price afford no measure we can rely upon. The annual production of late years has not varied much. In 1800, it amounted to £7,840,000; in 1848, it was little more, the production for that year being £8,630,000.* But while the supply was thus steady, we must not forget the demand; and if it be found that this has fallen off considerably, then must the value of silver have sensibly declined. That such has been the case can be demonstrated; whence it follows that gold, which measured in silver has fallen only in the proportion of 4s. 11d. to 5s. 1d., must have declined as much more in general value as silver itself.

The falling off in the demand for silver has occurred in countries such as France and the United States, where a double standard is employed; that is, where payments may be made either in sums of gold or silver money indifferently, such sums containing fixed relative quantities of the metals of which they are composed. In these cases, when gold became a little cheaper, it was gradually preferred as the medium of exchange; and this not only led to a falling off in the coinage of silver, but also to the melting down and exportation of much of the previous stock of money composed of that metal. To show the great extent of the adoption of gold currency in France and the United States, in 1849, before the late discoveries in California and Australia had been made available in any considerable degree, the coinage of silver of both those countries amounted to £8,000,000, and that of gold to about £2,000,000; while in 1853, the silver coined was little more than £2,000,000, but the gold was above £23,000,000.†

And, carrying our investigations a year farther, we find that "the coinage of the French mint, which in former years used to consist of about £40,000 per annum of gold and about £4,000,000 of silver, consisted in 1854 of £20,000,000 of gold and £80,000 of silver

* Newmarch on the Supplies of Gold, p. 6.

† The coinage both of silver and gold in 1849 seems to have been unusually great compared with that of former years. The annual average coinage of silver in France had been about £4,000,000; in the United States something under £1,000,000. It may seem strange that even so much should have been coined each year in these two countries, when we reflect on the number of others using a silver standard, and that the annual production of the metal differed little from £8,000,000. But it must not be forgotten that what is coined is not always so much abstracted from the stock of bullion, consisting, as it often does, of what had been coined before, either in foreign countries or at home. And, besides, it is not unlikely that much of the precious metals produced each year escapes the researches and even the conjectures of those who prepare the returns. For instance, the Californian returns are computed from the deposits of gold-dust and bullion at the mint of San Francisco and the other mints of the United States; the Australian, from the accounts of what passes from the diggings by the government "escorts." The security afforded by the "mint" and the "escort" renders it probable that the one is usually selected as a place of deposit, and the other as a means of transmission; but such cannot be the case universally, and hence the returns so far are defective. At some of the Australian diggings the government has not established an "escort," and we cannot doubt but that many persons remove their treasures from California without availing themselves of the United States mints, whether at San Francisco or elsewhere.

coins."—(*Economist*, November 10, 1855.) The natural course of events must have brought on a change of this character, owing to the nature, as before explained, of the French monetary system; but its intensity appears to have been augmented artificially. "The state has aided the movement, in the first place, by directing the fabrication of gold pieces of ten and five francs, and then by favoring the coinage of gold and restricting that of silver."—(*La Presse*, July 25, 1855.) This conduct is extremely imprudent, for its effect must be to deprive the French of all their silver money, and leave them without any convenient medium of exchange for effecting small purchases. The choice will lie between 'cumbrous copper money, or gold pieces so small as to be not only perplexingly minute, but also subject to great waste from wear and tear, on account of the magnitude of their surfaces compared with the solid contents, fashioned, as they must be, in order to diminish the former disadvantage, of far less relative thickness than coins of large dimensions. Apparently alarmed by the gradual decrease of silver money, the Bank of France has lately purchased about a million and a-half of that metal, and it is said a new silver coinage is to be commenced forthwith. But if the present system be continued, this will be only a waste of labour, for the new silver coins will disappear as fast as they are issued. The Americans, in order to avoid the inconvenience which the French are exposed to, introduced subsidiary coins of silver in 1853, in imitation of ours; that is, coins each representing in value a certain fixed proportion of the gold standard money, but containing less silver than would be equivalent, at the market price, to this nominal worth; and prevented from leading in their turn to the abandonment of gold, by being legal tender to a very limited amount,—here, to the extent of 40s., by an act passed in 1816, and in the United States to 5 dollars, or a little more than £1. The weight of the new half dollar of silver is 192 grains, instead of 206½ as before, and that of the quarter, dime, and half dime has been lessened in proportion. No change has been made in the silver dollar; and the consequence is, it is no longer coined, the new subsidiary coins being the only silver money now struck in the United States.* Congress, in abolishing the double standard, which virtually is what has been done, has placed the currency on a more satisfactory basis than the French; but in selecting as the standard of value a metal in course of depreciation, a grave mistake has been committed.

It will be said that if gold has acquired new channels of circulation in France and the United States, which it must fill up before becoming sensibly depreciated, on the other hand, it has lost a market in Holland and British India. In Holland, in 1849, the double standard was abolished, and silver alone retained as the measure of value. And in British India, in 1852, the permission which had been granted in 1835 to make payments in gold instead of silver if

* In the *Economist*, March 19, 1853, the act of Congress passed February 21, 1853, is given at full. In the number for March 25, 1854, there is a report on the new silver currency, containing much interesting information, but by no means free from scientific error, by Mr. Snowden, director of the United States mint. The English legislation of 1816 is referred to as a precedent.

desired, at a certain fixed proportion, was withdrawn. The effect of these two measures, however, was inconsiderable, and operated rather in preventing gold from acquiring a new market than in depriving it of an old one. Silver had previously been employed for the most part in both countries, British India particularly, and the consequence of the prohibition was less to oblige people to discontinue making payments in gold, than to prevent them from beginning to use it on a large scale instead of silver. The following table, from the *Economist*, May 27, 1854, proves this clearly as regards India:—

Coinage, in pounds sterling, of British India, from 1848 to 1852 inclusive.

	1848.	1849.	1850.	1851.	1852.
Silver...	1,781,000	2,578,000	2,411,000	2,616,000	4,240,000
Gold----	47,000	70,000	33,000	123,000	62,000

This shows that before the late discoveries the coinage of gold was very insignificant, and that it was not until 1851 there were any symptoms of its becoming generally employed; a symptom which was immediately followed by a prohibition of the double standard which had been previously tolerated for a few years. The great increase in the coinage of silver in 1852, occurring contemporaneously with the falling off in the employment of that metal in the countries which had hitherto employed it on the largest scale, is also deserving of our notice, as helping to explain the continued drain of silver to the East which has of late years set in. It is not an increased demand for that metal in the East which has been the primary cause; but a falling off in the demand elsewhere has rendered it profitable to export silver to India and other places, where it is still the general medium of exchange.

The facts which have been noticed establish that the comparative steadiness in the price of silver, so far from affording any just grounds for concluding that gold has not become depreciated, serves but to conceal the true state of the matter; and, when accurately investigated, proves the very contrary. As the demand for silver has declined, and the supply has not fallen off, its value must have decreased; and so also must that of gold to the very same extent, in addition to the trifling diminution in the proportion of 4s. 11d. to 5s. 1d. before adverted to. These figures show the entire extent of the change in relative value which the two metals have undergone. Beyond that, this relative value has remained unaltered; and, any variation in general value which the one has undergone must have been accompanied by a co-extensive alteration in the other. But it has been proved independently, that silver itself must have fallen in value; gold, therefore, must have declined in proportion, over and above the change exhibited by the rise in the price of silver of from 4s. 11d. to 5s. 1d.

The accounts of the mint operations in countries using a double standard convey another lesson. They enable us to answer the often repeated question, "What becomes of the new supplies of gold?" That the increased coinage of gold of late years has been sufficient to absorb the new supplies is a fact which has been occasionally noticed; and to the preceding question, taken literally,

this affords a reply. But, in reality, those who put the question do not mean so much to inquire to what purposes the gold has been turned, as to seek an explanation why the effects of the enormous addition which has been made to the circulation of the world appears to be so trifling. During the six years terminating with the end of 1853, and principally within the last three, £94,000,000 of gold have been coined and put into circulation;* and in the same period £80,000,000 worth of gold have been produced from the new sources, and about £50,000,000 from the old. Within the last and the present years, the proportion of production to coinage seems to have been greater still; but I have no corresponding returns to go by. In France alone, £20,000,000 have been coined in 1854, and £14,000,000 during a portion of 1855; and if the coinage of England, the United States, and other countries put together, amounted to as much more, (which is by no means unlikely), we have the coinage of gold at the rate of more than £34,000,000 per annum, something the same as the annual production of that metal. This shows what has been done with almost all the gold which has been raised of late years. To the amount of upwards of £150,000,000 it has been added to the circulation of the world; and this is enough to make us wonder why wages and prices have not risen to something like a corresponding extent; why money is not far more visibly abundant, and more readily obtained than formerly by each individual, in exchange for the services he renders, or the commodities he sells. Some will answer, because the requirements of the war carry off the money, and then it finds its way into the hands of traders and dealers in the neighbourhood of the seat of hostilities; who hoard what they receive and withdraw it from circulation. There is some truth in this. A good deal of specie has already been sent to the East, and much of it is supposed to have been hoarded by traders and others inhabiting the Turkish and Grecian dominions, and the southern parts of Russia; and this operation, it is probable, will continue as long as the war. But what are these sums, great as they may be, compared with the amount which has of late been

* The following appeared in the *Economist* for May 27, 1854:—

Coinage of gold in the most important countries in the world during the six years terminating with the end of 1853:—

Great Britain.....	£31,210,000
France	31,210,000
Spain.....	800,000
Prussia	700,000
Austria	4,550,000
United States	43,220,000
India	330,000
Total	£112,020,000

But from this is to be deducted what has been recoined during the same period, the amount of which is estimated at £18,000,000, leaving £94,000,000 as the clear addition to the circulation. Russia is not included in the preceding, and its coinage cannot have been inconsiderable. It is curious that the aggregate coinage of France and England during the six years has been exactly the same, though they do not correspond year by year. Since 1853, however, a great deal more gold has been coined in France than in England.

coined? It is evident we must look farther for an explanation; and this is to be found in the fact that the recent addition of gold to the general circulation of the world has been to a great extent not in addition to the pre-existing total amount, but in substitution for that part of it consisting of silver; the latter being driven out of circulation *pro tanto*, and melted down into bullion; some of which, indeed, may be recoinced in other countries where there is a silver standard, but a greater portion, no doubt, is devoted to purposes other than coinage, or held over in expectation of an altered state of the bullion market. We are told that in France all silver money is rapidly melted; five-franc pieces are become rare in Paris; the bank pays its notes in twenty-franc (gold) pieces; and in 1853 about £12,000,000 worth of silver were exported, since which the operation is believed to have proceeded at a still greater rate.* We do not wonder that a vessel is not overflowed, though a stream of water continually pours into it, if, while the fluid enters at one end, it goes out at the other; and so, in like manner, we should not be surprised that the recent enormous additions to the gold coinage have not filled the channels of circulation in proportion, since while, on the one side, gold has been pouring in, on the other, silver has been driven out.

There is another circumstance which has helped to conceal whatever change has as yet occurred in the value of gold; and this is to be found in the character of the variations in prices which have taken place of late years. Prices in general, it is true, have risen, and this, it was to be expected, should have led to the conclusion that money was becoming less valuable. But no such conclusion has been generally arrived at, and the reason seems to be, so far as those who give themselves any trouble in treating of the subject are concerned, that the changes which have come to pass have not been of such a kind as would, at first sight, be anticipated from a depreciation of the currency. This, in the end, usually affects all things alike; but the variations we have witnessed present no such uniformity, and must, therefore, it is presumed, be attributable to a variety of different causes affecting each article in particular, and not to any one which is common to all. Besides, there is a popular idea afloat, that any amount of dearness may be accounted for as the necessary consequence of a European war—a tradition handed down from the last we were engaged in, and which numbers now adopt with reference to the present; forgetting that in the former instance much of the dearness was the obvious result of the suspension of cash payment by the banks under the authority of the state, whereby a flood of paper money was poured over the country;

* "Notre monnaie d'argent se fond à vue d'œil. Les pièces de 5 francs sont devenues rares à Paris. La banque ne rembourse plus ses billets qu'avec des pièces de 20 francs. On peut fixer à près de 300 millions d'argent qui, en 1853, avait passé à l'étranger avec bénéfice pour les exportateurs. Depuis, ce chiffre a dû s'accroître. Si la spéculation se prolongeait, il ne faudrait, suivant M. Cochut, que sept ou huit ans pour que tout l'argent existant en France, fût soutiré."—(*La Presse*, July 25, 1855.) The author of the article from which this extract is taken, M. Darimon, is not one of those who view with regret the gradual adoption, as a standard of value, of a metal in course of depreciation. He, on the contrary, approves highly of the employment of gold currency, and accordingly we have no grounds for condemning his account of the fate of French silver money as the exaggeration of an alarmist.

that it was a succession of bad harvests during a part of that period which, aided by the abundance of the currency, raised the price of provisions occasionally to an unprecedented height; and that these seasons of dearth were by no means contemporaneous with the years of greatest expenditure by government—the popular explanation of the extravagance of war prices; and, finally, forgetting also that the dearth lately set in was not introduced with the Russian war, but commenced a year before it. But, leaving all this aside, a few words as to the effect on prices of an increased supply of money, and the character of the changes which have already taken place, may throw some light on their connexion. No doubt if, while other things remain the same, money becomes more abundant, the final result in general will be to increase the prices of all articles in the same proportion. Yet, though this will be so in the end, the change in the price of each will not be brought about with equal rapidity; and the order in which they will be acted on depends partly on the mode in which the new supplies of money are distributed, and partly on the manner in which increased demand for any commodity affects its value. Those into whose hands the additional supplies of money first find their way naturally augment their expenditure; and the articles they principally consume are those which will first become dearer. But all these will not become dearer at the same rate, even supposing the increased demand for each were precisely similar. Demand advances prices by its action on supply, and this is not always of equal efficacy. Of some articles large stocks, either of such, or of the materials from which they are formed, are usually kept on hands, besides what is immediately offered for sale; of others, the stocks are much smaller. In the first case, a trifling increase in price will draw forth what the consumers require; in the second, a greater advance must take place. To investigate this subject with anything like satisfactory clearness and detail would require an essay to itself, and accordingly I pursue it no further for the present. I only throw out the idea as suggestive of an explanation why the irregular and unequal rise in the prices of many articles, within the last few years, may have been occasioned by a depreciation of the currency, although not exhibiting that uniformity which it would be the final effect of such an occurrence to produce.

So far as the late rise in prices is general, it is chiefly manifested in case of the necessaries of life, and other articles extensively consumed by the many. This coincides with the probable distribution of the new supplies of money. Owing to the great emigration which has been for some time in operation, and several other causes, wages have risen throughout the United Kingdom; a fact which is partially concealed by the circumstance of the increase of earnings often following rather from a greater constancy of employment, than from labour being more highly remunerated during any fixed time. Hence, a larger proportion than before of the wealth of the nation goes to the labouring population, and the extra supplies of money poured forth from the mint being distributed accordingly, the working classes receive a greater share of a more abundant currency. Thus, their expenditure compared with that of the rest of the community is more considerable now than it used to be, and

the articles towards which this is directed become subject to greater changes in value than others. This accounts for the fact that the first necessities of life, and other articles entering generally and extensively into consumption, have risen in price much faster than those confined to a narrower market.

FALLACIES BY WHICH MANY PERSUADE THEMSELVES THAT NO CONSIDERABLE CHANGE IN THE VALUE OF GOLD IS TO BE EXPECTED.— Having considered the circumstances calculated to conceal whatever change in the value of gold had as yet taken place, we proceed to examine the grounds on which some are disposed to conclude, *a priori*, that no great depreciation is to be expected, at least until a very remote period. Thus M. Lèon Faucher, the French economist, and many others of less eminence, contend that as metallic money forms but a small proportion of the total circulation of the world, consisting as it does to a much greater extent of bank-notes, cheques, bills of exchange, and other instruments of credit, the depreciation of the currency resulting from an increase of coin will be equally trifling, as it will be measured by the proportion of the augmented stock of coin to the entire circulation, and not by its proportion to the previous supply of coin alone. To use an example which I have seen given of this error; supposing the circulation of the world consisted of £100,000,000 coin, and £300,000,000 notes, bills, cheques, &c.; and that £100,000,000 additional of coin were added, then, according to M. Lèon Faucher, the value of the currency will sink in the proportion of four hundred millions to five, and not of four to eight; that is, that after the supposed introduction of the extra £100,000,000 of coin, it will require £5 and not £8 to purchase so much as £4 could have done before. But this cannot be, as whatever exchanges had been effected by means of instruments of credit prior to the introduction of the new supply of coin, will be effected in the same manner afterwards, in the absence of any artificial restriction, the impelling motives remaining unaltered. Prices having risen by the augmentation of the coinage, as it is agreed on both sides they must to some extent, merchants, instead of drawing-bills for the same number of pounds they would have remitted to their correspondents had prices continued at the former level, and then sending the difference in cash, will draw so as to cover the entire amount of their transactions, for the very same reason they did so originally. Again, the same motives which led traders and others to place their reserves in bank, will still remain in operation after a general rise in prices has rendered it at once necessary and feasible for them to augment their deposits in a corresponding degree. They will do so accordingly, and then issue cheques to those they deal with, to a nominal amount proportionably greater; and as prices advance higher still, so likewise will the quantity of deposits and cheques go on increasing. The supply of bank-notes, in the absence of any artificial restrictions, will naturally advance on similar principles; their portability recommending them to the public just as before; the depreciation of the currency rendering a greater nominal amount of them necessary to transact the same quantity of exchanges; and bankers, like other dealers, taking care

to supply their customers in proportion to the increased demand. In an account which appeared in the *New-York Courier and Enquirer*, (quoted in the *Economist*, December 4th, 1852,) of the banks of the United States for the period elapsing from 1842 to the beginning of 1852, we learn that the aggregate paper circulation increased from 83,000,000 to 153,000,000 dollars, the enormous production and coinage of gold during the concluding years of the series not only failing to diminish the amount of notes, but doubtless tending to augment it, by placing at the disposal of bankers a larger supply of specie, capable accordingly of insuring the convertibility of a greater quantity of notes. In 1842, the specie in bank amounted to 28,000,000 dollars, and in 1851, to 51,000,000. The preceding account, though stated as including the banks of the United States generally, without any specified exception, evidently does not take in them all. The aggregate paper circulation of the total number of banks comprised in the above does not differ much from that of a single bank in the United Kingdom, the Bank of England.

Hence we see that if, as in our numerical examples, the quantity of metallic money throughout the world be doubled, it will still be employed in but the same class of transactions as the original supply. Thus, a similar increase in the amount of paper circulation will be required, and prices in the end be driven up in the proportion of one to two, and not from four to five only; or, having recourse again to our figures, if £100,000,000 coin be added to a circulation consisting of a similar sum, together with £300,000,000 paper credit, money instead of declining to but four-fifths of its former value or purchasing power, will fall to one-half, the entire circulation eventually consisting of £800,000,000, the paper circulation, originally £300,000,000, being necessarily doubled in consequence of the metallic currency having been increased in the same proportion.

The error of those who hold M. Lèon Faucher's opinion appears to result from the circumstance of bills, notes, cheques, and the like being called instruments of credit. This suggests the idea of indebtedness; and thence it is imagined that if there was money enough for all to keep clear of debt, no instruments of credit would be used. Here it is forgotten, that whatever be the origin of such expedients, they will always be used by the most solvent persons as a more convenient means for effecting certain classes of payment. For domestic exchanges, notes will generally be preferred to coin as a more portable species of currency, and cheques often to either, as saving the necessity of keeping large sums of money in private establishments. In foreign dealings, bills of exchange will still be adopted, in order to avoid the cost and risk of cash remittances. No abundance of money will dispense with the use of instruments of credit for such purposes, and find new channels of circulation by checking their employment. But as for the use of instruments of credit arising from the inability of some to make immediate cash payments, supposing (what is not easily conceivable) the new supplies of bullion were so distributed among the needy and improvident as to put a stop to it, this would not permanently create any new channels of circulation for metallic money, but merely change the

time of its employment. Instead of certain debts being paid some time hence, as soon as the bills or notes of the debtor fall due, when money is to be had immediately, they are paid at once. But, in consequence of this, it is the time alone of payment that is changed, and not a farthing less of coin is required when such employment of instruments of credit is discontinued.

Though involving a digression, it will aid the elucidation of the preceding to point out briefly how and how far instruments of credit economise the use of money. To the extent that they are used solely in consequence of a present inability to pay, they do not economise the use of money at all; whence some have concluded generally that they have never any such effect—a doctrine which others push yet farther, asserting that they even render necessary a larger amount of metallic currency than would be required in their absence; as they circulate, it is alleged, in a contrary direction to money, creating a number of sales and purchases which it must adjust in addition to what devolved on it before. Instruments of credit sometimes have such an effect; but it is forgotten by those who make the general assertion, that pecuniary transactions resulting from indebtedness are not created by the instruments of credit, which merely change the time of their final adjustment. A man cannot pay his debt to day, so he gives a promissory note payable some months since; this instrument of credit necessitating a cash payment when it falls due. But if it had not been employed, the cash payment would have taken place in the first instance; and in either case the same amount of metallic currency is required. Having shown that instruments of credit do not always economise the use of money, I now come to show how and when they do effect such a purpose. They do so in either of two ways; 1st, they may occasion an increase in the rapidity of the circulation of money; and 2nd, they may lead to the transaction of sales and purchases without the intervention of coin, either immediately or subsequently. By means of cheques and banks of deposit, the use of money is economised by rendering circulation more rapid. Were there no such banks, each person would keep in his till whatever money he might have occasion for, which accordingly must remain inactive during the interval preceding expenditure. But when there are banks of deposit, and persons pay with cheques instead of money, which are subsequently converted into cash at the banks, a large proportion of what the depositors would otherwise have kept inactive is thrown into circulation, the bankers lending part of what is left with them, knowing from experience that the cheques of the depositors do not all come in at once, but that while some persons draw out their money, others lay in more, and thus the means of meeting demands are afforded, although much less than the total amount of liabilities is retained for the purpose. Two-thirds of the deposits may in general be lent at a time without danger, according to the rules of safe banking; and if any one reflects on the enormous amount of deposits in all the banks throughout the United Kingdom, he may form some conception of the extent to which the use of money is thereby economised.

Again, bank-notes economise the use of money, not by affecting

the rapidity of its circulation, but by dispensing with its employment; the country being saved the expense of acquiring and maintaining so much metallic currency as is equal to the difference between the amount represented by the notes issued, and the lesser amount of coin and bullion that must be retained by the bankers to insure the convertibility of their paper.

Bills of exchange, and other instruments of credit employed for the purpose of transacting sales and purchases between parties residing at a distance, economise the use of money by leaving in circulation what would otherwise have remained inactive while being transmitted. Supposing a person in London buys goods from a dealer in Calcutta, and instead of sending the price in cash, buys a bill for the amount on Calcutta, and sends it thither; then though the purchase of goods involves a corresponding outlay of money, yet its use is economised, the price being available for effecting other exchanges occurring within the time the money would have remained inactive while being transhipped, had the London merchant made his payment without the intervention of a bill.

As any instrument of credit may be exchanged for money, or for goods and services, it follows that it will either render a larger amount of metallic currency necessary, or economise its use, or produce no effect one way or the other, according as it is exchanged for money oftener or less frequently than for goods and services, or an equal number of times; for in the first case there is more work for the metallic circulation to do than if the instrument of credit did not exist; in the second, there is less; and in the third, the amount of work to be done is left just the same. This, however, is only as regards the effect of the instrument in increasing or diminishing the number of exchanges in which money must be employed. But even when it increases the number of exchanges in which money must be employed, it may still economise its use in another point of view, so as either to diminish or neutralise, or even more than compensate its opposite action. To take an example just given; if the bill bought for money in London is sold in like manner at Calcutta, two exchanges must be effected by coin, where without the instrument of credit but one would have sufficed. But if there is more work to be done by money, yet, on the other hand, there is money left available for general purposes of circulation, in consequence of the intervention of the instrument of credit, which without it would have remained inactive during the process of transhipment.

This brief explanation of the ways in which instruments of credit affect the demand and supply of money, shows the error of those who believe that transactions now effected by credit will be adjusted with coin when the latter becomes more abundant, so as that new requirements will absorb the fresh supplies of gold and thereby check its depreciation. So far as these transactions are effected with credit instead of money, for greater convenience alone, no abundance of the latter will dispense with the former. And in so far as credit arises from inability to pay, it exercises no permanent effect on the demand and supply of money. Thus, no matter what be the consequences of the gold discoveries, whether they induce greater general solvency or the reverse, in neither case will

their action on the employment of instruments of credit alter the permanent demand for money, or affect the available supply.

It is very commonly said that the trade and commerce of the world are increasing so fast as to require all the expected augmented production of gold to prevent the enhancement of money; that, in fact, the present and approaching abundance of bullion will not occasion a general rise of prices and disturbance of pecuniary contracts, but merely prevent prices from declining, and contracts from being deranged by changes in the worth of money. To answer this, it may, in the first place, be observed, that since the commencement of the present century the production of gold has been multiplied twelve or sixteen times, and there seems no probability of there being any falling off; while, even in the most favoured countries, wealth, trade, and population have not been more than quadrupled, except in the case of a few colonies; in others, justly deemed to be progressing satisfactorily, they have increased but two-fold; and in many, perhaps most, advances of such a nature have been, comparatively speaking, insignificant. This extreme disproportion between the rate of increase of gold and everything else, ought to make us cautious of assenting to the statement, so very generally put forward, that the growing requirements of trade and commerce are amply sufficient to absorb the new supplies of bullion, without there being any disturbance in its worth in relation to other articles. And in the next place we should remember, that once a community has passed that primitive state when exchanges are effected by barter, and has entered on a career of industrial progress, its requirements for money do not advance co-extensively with wealth, population, and commercial activity. "The growth of credit, and of the various substitutes for the actual use of money which arise out of the extended use of credit, are the invariable concomitants of increasing wealth and progressive civilization. Even in England, in which the contrivances for economizing the use of money have already been carried to an unusual extent, it would not be difficult to suggest further means of a very simple and practical character, by which the present amount of bank-notes in circulation may be made efficient for the adjustment of a largely increased amount of transactions." At the Clearing-house in London, for example, to which the city bankers send every day all the cheques they have received against each other, the cheques due by any one being set off against those in his favour, and the difference only paid in money, it is calculated that business transactions to the amount of £3,000,000, and upwards, are adjusted every day by means of about one-fifteenth of that sum in cash and notes. When this system becomes more generally adopted, as no doubt it will with the progress of industrial civilization, a corresponding increase in the efficiency of money will come to pass, and the smaller, accordingly, will be the proportion of coin to the wealth and trade it can support at a given scale of prices. Already, I believe, it has been introduced into New-York, and considerably extended in London.

Besides the general argument that the increased supplies of gold will find themselves a market in substitution of paper credit, without the metal undergoing any sensible depreciation,—an argument which I

have proved to be unsustainable, if properly examined,—it is also contended, as a matter of fact, that in several states of Europe and elsewhere, the people are rapidly adopting gold coin where before they employed paper currency. That the use of gold is becoming very general is true; but it is in place not of paper but of silver. I am not aware of any authenticated account of gold having been substituted for paper; but I have seen one of the very contrary in the case of Holland, where notes have taken the place of gold. That the legitimate employment of the instruments of credit should be diminished by the increased abundance of the precious metals, is neither probable nor desirable; but it is much to be wished that the small note currency of the United States, and several of the nations of Europe, were put a stop to. The notes I allude to are those representing the worth of a few shillings or thereabouts; a species of paper currency which has little recommendation on the grounds of portability, as the quantity of metallic currency it dispenses with could never prove very cumbrous under a well-adjusted monetary system, but which is exposed to the gravest objections in another point of view. Many who would hesitate to accept notes of larger amount, unless pretty well satisfied of the solvency of the issuers, are more careless as regards notes for trifling sums; hence, both private individuals and governments, utterly undeserving of credit, can get these latter into circulation with a degree of facility it would be vain to expect if they tried the former; and thus they are made a fruitful source of abuse. But this is the very species of paper that the adoption of gold currency does not dispense with, and may encourage. Gold coins, worth only a few shillings, are perplexingly minute; and from the large extent of their surface, compared with their bulk, as usually fashioned, are subject to rapid waste from wear and tear. Hence, for small coinage, gold is extremely objectionable, and, therefore, it is the less likely to lead to the displacement of small note currency. But it may even encourage the employment of small notes, by displacing, where a double standard prevails, the silver currency; the currency of that metal best adapted for affording coins for transacting small exchanges—neither perplexingly minute, like those of gold of corresponding value, nor cumbrous like those composed of copper or other base metals. We may rest assured that the not very solvent governments of Europe, if they do not supply the deficiency of their silver coinage with paper, at all events will not think of displacing their paper by gold. And it does not appear likely the Americans will allow their government to suppress their small note currency, merely because gold is more abundant. Mr. Snowden, the director of the United States mint, in his report before alluded to, recommends, it is true, that, by the imposition of stamp duties, the very small notes should be indirectly suppressed, founding his suggestion on the supposed facility the increased production of gold affords to the carrying through of such a measure; but I do not find his advice has been followed. When sounder notions become afloat, the Americans no doubt will abandon the use of their extremely objectionable small note currency, after condemning it on just grounds; but until that improvement occurs, it is unlikely they will suffer themselves to be per-

suaded to take such a step, by reason of any arguments just or otherwise.

The extended use of gold for plate and ornament incidental to the increased supplies will, it is said by some, retard in a considerable degree its decline in value; each step in that direction creating an extensive demand, and thus putting off to a distance any further change of a similar character. That such a cause has not yet been largely in operation, appears from the comparison previously instituted between the coinage and production of gold within the last few years, which shows that the new supplies have been principally employed as money and not in any other capacity. And a little consideration will make it clear that such is the destination which should have been anticipated, and which is still to be expected. Except as money, the consumption of gold is very limited, few using it at all, and those who do so employing it in very small quantities. With such a narrow field of consumption, there is no reason that each fall in the value of gold should greatly retard another, by extending the use of the metal for plate and ornament; and it may confidently be predicted that the greater part of the new supplies will be coined as fast as produced, and depreciated in proportion, so soon as the displacement of silver has been completed in countries which employed a double standard at the time of the gold discoveries, and have not since resorted to silver alone.

GROUND FOR CONCLUDING THAT A CONSIDERABLE FALL IN THE VALUE OF GOLD IS TO BE EXPECTED BEFORE LONG:—In the beginning of this century, the annual production of gold has been estimated at a little over

£ 3,000,000

By 1848 it had risen to nearly £10,000,000

And in 1852 it reached the amount of £36,000,000,

since which the annual supplies have not varied much, as far as I can learn; so we shall not be far wrong in setting down the production of gold at present, and during each of the last three or four years, at the rate of from thirty to forty millions per annum.* This

* The following estimates are taken from Mr. Newmarch's pamphlet on the "Supplies of Gold," pages 6 and 12:—

Production of gold throughout the world in the years 1800 and 1848.

	1800.	1848.
America	1,920,000	2,100,000
Europe (excluding Russia)	140,000	360,000
Russia	90,000	4,100,000
Africa	280,000	550,000
Archipelago of Asia	650,000	2,800,000
Other sources	180,000	
Total	£3,260,000	9,910,000

Comparison between the production of gold in the years 1800, 1848, and 1852.

	1800.	1848.	1852.
All sources except California and Australia	3,260,000	9,910,000	9,400,000
California	—	—	12,500,000
Australia	—	—	14,400,000
Total	£3,260,000	9,910,000	36,300,000

is a wonderful change from three millions in the beginning of the century; and there is little doubt but that by this time the entire pre-existing supply throughout the world has been altered very appreciably. That abundance has not hitherto produced so great an effect as would at first be anticipated, in rendering the article which had become more plentiful less valuable, has been already explained; and it has also been shown why we may expect that the causes which have hitherto so much retarded the depreciation of gold will cease to operate before long.* It may be said in opposition to this, that we have no reason for concluding that gold, though obtained in greater abundance than formerly, is procured at a less proportionate expense; and that should such not be the case, as soon as abundance renders the metal less valuable the diggers' employment will cease to be profitable, and further production be checked until brought to that point where no more will be raised each year than the requirements of trade and commerce can absorb on remunerative terms. But, so far as I can learn, the value of gold may decline a great deal before any such result is to be expected. If production has been found so remunerative heretofore, as to counteract the repugnance labourers must feel to risking themselves in places where person and property are so insecure as they are usually believed to be at the diggings,—what will it not be when such drawbacks have been removed, as there is every reason to anticipate they quickly must be, in obedience to the law of progressive improvement which prevails in communities possessing so abundantly the germs of civilization as the new states of California and Australia? And besides, as these continue to progress, we may expect that better machinery will be employed in extracting the precious metal from the quartz and other substances in which it is so often found imbedded, and thus the gold be obtained with increased facility.

A SILVER STANDARD SHOULD BE ADOPTED, AND ONE POUND NOTES INTRODUCED INTO ENGLAND:—To recapitulate the principal points which I have been desirous of bringing forward prominently,—by the decline in the *general value* of silver, resulting from a falling off in the demand for it in countries using a double standard, the depreciation of gold is concealed to the same extent whenever it is attempted to measure its value by that of silver; and while the steadiness in the *price* of silver for the last few years has thus conveyed a delusive lesson, the rise in the prices of many other articles failed to impart a true one, because in these no such uniformity was exhibited as would on first thoughts be anticipated as the consequence of a depreciation of the currency. Moreover, the displacement of silver by gold produced another effect, as besides causing a decline in the value of the

* For instance, the displacement of silver in France must soon come to an end, and the extra market for gold thus created be filled up. Before the late discoveries, the silver currency of France was estimated at £100,000,000, while gold was but little used. Since that, more than £60,000,000 of gold have been coined; and in two years more, if the coinage continues at the same rate as at present, there will be more than £100,000,000, by which time there will be enough to make up for any possible displacement of silver; and whatever gold may be coined afterwards will be a clear addition to the currency.

former, it retarded the fall of the latter, by creating an extra market. In this way, the depreciation of gold was partly concealed and partly checked, and there were not wanting persons who attempted to shew that that which was to some extent illusory, and in other respects temporary, was real and permanent, and that accordingly no great change in the value of gold was to be anticipated; some going on the fallacy supported by M. Léon Faucher, and others on an erroneous idea of the nature and magnitude of the extended requirements of trade and commerce. The unsoundness of these arguments I have endeavoured to demonstrate; and it seems to me as clear as day, that gold must fall rapidly in value as soon as it has filled up the extra market opened for it in countries whose monetary arrangements allowed it to displace the silver currency. The effect of this change will be to disturb all existing pecuniary contracts and impede the formation of new ones,—a consequence the injuriousness of which it is not difficult to conceive. But here we are not left to theory, as the financial history of most countries records the troubles and sufferings which have been undergone by the people, and the tumults and disorder by which these have been manifested, whenever the purchasing power of money has been altered, either artificially, by government tampering with the currency, or neglecting to maintain it in a sound condition,—or naturally, whenever the precious metal composing the coin of the realm has varied in value.* To obviate the mischievous consequences which would flow from a depreciation of our standard, it should be changed from gold to silver—bank-notes and other instruments of credit thenceforth entitling the holders to receive certain specified amounts of the latter metal, instead of the former as at present. As silver, as well as gold, has been shown to be declining in value of late years, it might be said that nothing is to be gained by the alteration; but this is an error, the decline in the case of silver originating in a temporary cause—the cessation of the demand for it in countries using a double standard—and one, moreover, which would be corrected by the new demand that must spring up in the United Kingdom were the proposed change of standard adopted. It is also asserted that silver can be produced cheaper than before, owing to certain recent improvements in the mode of extracting the metal from the ore, and to the discovery in Mexico and elsewhere of more abundant sources of quicksilver—a substance largely employed in that process. If this be correct, the cost of production of silver is reduced, and the value will be permanently lessened; but until we are tolerably sure not only that such will be the case, but also that the expected depreciation will be as great as that of the other precious metal, we have no valid reason for objecting to the abandonment of the gold standard.† It is, however more common to hear the adoption of a silver standard condemned on the grounds of the

* For instances of each of these, see “Elementary Treatise on Metallic Currency.” (Dublin, M’Glashan, 1853) pp. 59, 64, and 70.

† Should both the precious metals, by depreciation or otherwise, become unfitted to serve as measures of value, then some contrivance in the nature of a “tabular standard” should be adopted. See *Ibid.*, p. 94.

metal being so scarce that we could not obtain a sufficient supply without raising its value considerably, and thus lowering the price of everything with reference to the new silver money, and so deranging all pecuniary contracts—the very evil which it was sought to avoid by abandoning the gold standard, except that in the one case the derangement would flow from an enhancement in the value of money, and in the other from a depreciation. But it is a mistake to suppose there is any scarcity of silver; and the fact relied upon to prove it—the gradual diminution of the quantity of that metal in circulation in France and the United States—is the result not of silver becoming scarce, but of gold becoming unusually plentiful, so that it is more advantageous to make payments in money made of the latter metal, and therefore that made of the former is removed from circulation. During the suspension of cash payments in England, from 1797 to 1819, gold almost disappeared from circulation; and what remained, though declared by law to be worth no more than bank-notes purporting to be for a corresponding amount, bore a premium above the mint price, just like bullion itself, with the price of which the law did not interfere. Forthwith there was a universal cry of a scarcity of gold, and it was laid down dogmatically that a resumption of cash payments was impossible, as the metal for making them had become so scarce, that an adequate supply could not be obtained. Yet all this time the scarcity of gold was apparent only, resulting from an unusual abundance of the inconvertible paper money with which it was compared; just like the scarcity of silver at present, a delusive appearance occasioned by the abundance of gold. So far from either metal having become scarce and dear on the occasion referred to, a cessation of demand cannot but have rendered both one and the other cheaper. And it may confidently be anticipated that if silver enough were now required to support the change of standard, it would be obtained without any more difficulty than the gold in 1819.

The only inconvenience which the change of standard could involve would be that in England, where no notes for less than £5 are permitted, it would prove troublesome to carry about the person so much silver for making payments to any amount under £5, as would then be required. In Scotland and Ireland no such effect is to be apprehended, as the one-pound notes can be, and generally are, employed in adjusting all domestic exchanges in which the sovereign is used exclusively in England. But is there any good reason for this partial prohibition? When the issue of one-pound notes was suppressed in 1825, in England, there were two grounds on which the measure was defended. The first was, that as those notes can be employed in all domestic exchanges where sovereigns otherwise are required, the latter are exported whenever there is a great demand for money for foreign expenditure; and then, if any circumstance leads to a contraction of the circulation at home before the gold returns, the banks have not the means of paying for the notes sent in to them, and the public suffer the inconvenience arising from the destruction of much of the paper currency. But whatever weight this argument might once have been entitled to, it can be deserving of none if the provisions of the act of 1844 be ex-

tended to the suggested issues of one-pound notes; so that for every such note, beyond whatever amount may be safely calculated on as certain to be retained in domestic circulation, there must be a sovereign corresponding in the coffers of the Bank. The second objection to one-pound notes, is the temptation it is alleged they hold out to forgery. The smaller a note, and the greater the population amongst whom it circulates, the oftener it is exchanged; and the oftener a note is exchanged, the more difficult it is to trace a counterfeit to the party who issued it. On this account, it is said that one-pound notes hold out a greater temptation to forgery than larger ones, especially when circulating throughout a very numerous community; and in support of this, is brought forward the frequency with which counterfeits of the one-pound notes of the Bank of England were formerly passed off on the public. But this, I imagine, is to be attributed to the clumsy manner in which those notes were prepared, which rendered their imitation an easy task; as we do not find that the elaborately engraved one-pound notes of Scotland and Ireland, and of the English country bankers before the prohibition of 1825, have been exposed to a similar objection.

These difficulties being removed, no impediment remains to the adoption of the remedy suggested for averting the monetary disturbances impending from the growing depreciation of gold. The remedy is to adopt a silver standard, allowing at the same time the use of one-pound notes in England as well as Scotland and Ireland, so as to obviate the inconvenience which otherwise would be experienced in England in transacting sales and purchases from one pound to five pounds.* And from the proposed extension an auxiliary advantage might be derived. The issue of one-pound notes not having been permitted of late in England, is not the subject of vested interest in bankers, as in the case of notes for larger amounts. Hence, on the same principle that under Sir Robert Peel's act of 1844, £22,000,000 of notes unrepresented by bullion are allowed to enrich the banking trade, whatever amount of one-pound notes might safely be left unrepresented could, without injustice, be appropriated by the state. In Ireland and Scotland the aggregate sum of the one-pound-note currency exceeds that of the larger notes; and this affords some grounds for believing that the same would eventually be found to be the case in England, and thus that at least 22,000,000 one-pound notes might be left unrepresented, and bullion to the same amount be obtained by the government for the benefit of the public.

* When gold, as a standard of value, was abolished in Holland, small notes were introduced for the purpose of affording a satisfactory medium of exchange in pecuniary transactions too large to be adjusted conveniently with silver.

V.—Proceedings of the Dublin Statistical Society.

NINTH SESSION—FIRST MEETING.

[19th November, 1855.]

The Society met at the Royal Dublin Society House. The chair was taken by His Grace the Archbishop of Dublin, President of the Society.

The Secretaries read the minutes of the last meeting, and the Report of the Council for the past year. The President having then vacated the chair, it was taken by Mountifort Longfield, Q.C. LL.D. who proceeded to deliver the opening address. Dr. Longfield, at the conclusion of the address, vacated the chair, which was again taken by the Archbishop of Dublin.

The Provost of Trinity College proposed, and Lieutenant-Colonel Larcom seconded, a vote of thanks to Dr. Longfield for his able address. The motion was passed unanimously.

The following gentlemen were elected members of the Society:—

The Marquis of Kildare; Henry George Hughes, Esq., Q.C.; Rev. John Edgar, D.D.; William Todd, Esq.; John Cameron, Esq.; Patrick M. Cullinan, M.D.; John Lentaigue, Esq.; Ambrose Hickey, Esq.; Francis L. Dames, Esq.; Hugh M'Caul, Esq.; David Ross, Esq.; Henry Joseph Loughran, Esq.; Thomas M. Busteed, Esq.; Richard F. Littledale, Esq.; Charles B. Hancock, Esq.; Alexander George Richey, Esq.; Allen Nichol, Esq.; Thomas M'Nally, Esq., A.M.; and Gabriel J. Fisher, Esq.

SECOND MEETING.

[17th December, 1855.]

The Society met at the Royal Dublin Society House, the Lord Mayor in the chair. The minutes of the last meeting having been read,

Dr. Hancock read a paper entitled, "The Principles of Sir Robert Peel's Bank Act of 1844 explained and defended."

Mr. Pollard Urquhart, M.P. read a paper on a "Plan for the reduction and ultimate extinction of the National Debt."

The following gentlemen were elected members of the Society:—

Charles H. Foote, Esq.; Rev. Professor M'Gauley; John P. O'Hara, Esq.; R. D. Urling, Esq.; and John F. Waller, Esq.

It was proposed by one of the Secretaries, seconded by James Haughton, Esq. and passed unanimously, that G. J. Allman, M.D., formerly Professor of Botany in the University of Dublin, and now Regius Professor of Natural History in the University of Edinburgh, be elected an Honorary member of the Society.

JOURNAL
OF THE
Dublin
STATISTICAL SOCIETY.

APRIL, 1856.

I.—*Is Fire Insurance a proper subject for Taxation ?* By W. Neilson
Hancock, LL.D.

[Read March 23rd, 1856.]

Of the questions which the good feeling now subsisting between England and France has given rise to, perhaps the most remarkable is the competition in Fire Insurance between French and English Companies.

A French Company has started in London, and has offered to insure at 2s. per cent. the same risks as an English company would charge 4s 6d. per cent. for.

Whence the difference of price? The English have capital and skill in the business, and great competition amongst the Insurance Companies to reduce the price to the lowest amount. It is found, however, that the difference of price arises from the amount of the tax imposed by the English government.

It is stated in the *Times* that there is no annual duty in France; in England it is 3s. for £100. The premium of Insurance, exclusive of duty, in England is 1s 6d. The scale of taxation is, consequently, on common risks 200 per cent.*

The contrast thus raises the question whether Fire Insurance is a proper subject for taxation at all. If we examine the tax, we shall see that it offends against the fundamental principles of taxation.

The tax is not proportioned to the means of the tax payers. The saving capitalist who invests his savings and spends little and the

* It is stated in the *Spectator* of 12th April, that the duty is equal to $7\frac{1}{2}$ for £100. I have instituted inquiries in France, but have not got an answer in time for this publication, as to which is correct.

large landed proprietor do not pay in proportion to their means. The capitalist who has extensive machinery or a large stock of goods, the professional man who lives in a city, and the owner of house property, all pay largely for fire insurance.

Again, to whatever extent the amount of the duty deters people from insuring, and impedes the developement of insurance business, the community suffers to an extent far beyond what is brought into the coffers of the state. It appears that out of 923 fires in one year in London, in only 442 was there complete insurance; in 283 there was no insurance at all. Whilst in France seven-eighths of the property is said to be insured.

The manner of imposing the tax introducing a calculation and set of entries in every policy and every receipt, imposes a very considerable burden in addition to the tax.

The exemption of farming stock from the tax makes it partial and unequal in its application to different classes, whilst it shows the impression of the agricultural interest as to the impolicy of the tax.

The common sense objection to the tax is, however, the strongest. Why should the most provident act of civilized life be taxed at all? or, if taxed, why should the scale of taxation be of the enormous amount of 200 per cent., a higher rate than almost any of our indirect taxes?

It is idle to object to a tax without proposing a substitute. The duty of each citizen to contribute his share to the expenses of the state is one of the foundations of government. The whole question is, how is this duty to be discharged? I have in a former paper* explained the advantages of a perfect income tax, and do not on this occasion propose to enter on that question. I shall only explain the amount of income tax that would be equivalent to the sum now produced by the duties on Fire Insurance.

From a calculation which I laid before this Society in December, 1854, and published in the first number of our Journal,† it appears that the Income Tax and that taxes on successions as at present levied in the United Kingdom, produce for each penny in the pound a sum of £1,600,000: that if these taxes were extended to all classes of the community, one penny in the pound would produce £2,000,000.

Now the duty on fire insurance has for the last four years produced about £1,200,000. It follows that an increase of the Income and Succession taxes by three farthings in the pound would produce the entire amount of the duty on Fire Insurance; and, under a perfect income tax, an increase of six-tenths of a penny would produce the required amount. Now the peculiarity of the increase of the income tax, as a substitute for an indirect tax, is that the labor and expense of imposing and collecting the tax is scarcely raised at all by a slight alteration of the amount; whilst each indirect tax, by interfering with a large class of human transactions, imposes such trouble and expense (far beyond what it produces to the state), as frequently to double the burden of the tax.

* See Paper republished in this part, p. 285.

† Paper entitled "What a perfect Income Tax of Ten per Cent. would produce."

II.—*The Effect of War on Prices.* By John E. Cairnes. A.M.

[Read January 10th, 1856.]

AMONGST the various economical and commercial questions to which the prosecution of the present war has drawn the attention of this society, there is one of considerable importance, which no attempt has yet been made to elucidate. I allude to the effect which a state of war in general, and in particular of the present Russian war, is calculated to produce on the prices of commodities. It appears to me that this is a subject on which much misapprehension is prevalent, even in quarters where one would naturally look for more accurate notions—misapprehension which, if acted upon, cannot fail to lead to much pecuniary loss to individuals, and to much commercial derangement amongst the public; and which, at all events, tends to confuse our notions, and to perpetuate errors on some of the most important problems of political economy.

It is scarcely necessary to say that the common opinion upon this question—an opinion, too, that is shared by some economists of eminence—is that a state of war necessarily tends to produce a general rise in the prices of commodities. The expression “war-prices” shows what is the popular notion: the doctrine which this expression implies has been supported by some grave and plausible arguments; and it cannot be denied that it is at the present moment countenanced by some very obvious and striking facts. It will, therefore, not be out of place if I invite the attention of the society for a short space to some of the economic principles which affect this question.

And here it is desirable that we should separate in the outset two distinct portions of the general question, which are often confounded; one of which relates to the effect of war upon the general aggregate of prices; while the other considers the disturbance which war is calculated to produce upon the prices of particular commodities specially affected. The consideration of the latter part of the subject I shall reserve for a subsequent portion of my paper; it will be desirable first to dispose of the more general doctrine.

I have said that it is the popular notion that a state of war has a necessary tendency to produce a rise in the prices of commodities, and perhaps I should add to this, of those commodities especially which form articles of prime necessity and enter into general consumption. The most common argument by which this proposition is ordinarily maintained is of this nature. It is said that the increased sums applied by Government to the support of our armies and navies in time of war lead to an increased circulation of money amongst the classes who compose the army and navy; the effect of which is an increased demand for articles of general consumption on the part of these classes, and consequently, it is said, a rise in the price of such commodities. It is argued, further, that the increased necessity for various kinds of manufactured articles required for the equipment of our forces causes increased activity amongst the producers of all such articles; that the extension which is thus given to manufacturing industry induces an increased demand for labourers for the

production of the articles required, and, by consequence, an increased demand for all the articles consumed by labourers, which consumption, it is urged, must further act upon prices; and, in this way, the argument is pursued throughout all its ramifications. I should not have thought of bringing forward an argument of this kind for refutation, the fallacy of which lies on the surface, and which has so often been refuted before, but that I have frequently seen it of late re-produced in the public prints, and, where not formally stated, at least silently implied. It is, therefore, proper to observe that there is but one possible hypothesis upon which this argument can proceed—the assumption, namely, that in the alternative of peace, those funds, the operation of which upon prices is the foundation of the reasoning, would not have been spent at all; in which case those who use this argument are bound to show where that reserve of wealth is in the country, which, lying idle and inoperative in peace, can only be called into activity by a state of hostilities. It is surely exceedingly plain that, whether raised by taxes or by Government loan, the funds, appropriated and spent by Government, would have been quite as effectually spent, had they been left with their original possessors. An increased expenditure on the part of the Government, therefore, necessarily involves a diminished expenditure to precisely the same extent on the part of the public: the *aggregate* demand for commodities consequently remains as before; and, by consequence, also the *aggregate of prices*, so far forth, at least, as they depend upon demand.

There is, however, another argument of a more ingenious and subtle character by which the same conclusion is sought to be maintained, with this difference, that the principle is held to operate only to the extent to which the funds for the prosecution of the war are obtained by Government loan. The original propounder of the theory which I am about to notice was, I believe, Dr. Chalmers, and lest I should not represent him fairly, I shall give the doctrine in his own words:—

“The sum borrowed by Government,” says Dr. Chalmers,* is withdrawn from commerce and manufactures, and must, to the extent of its power in producing commodities and bringing them to market, lessen the supply of those commodities. The prices of those commodities rise in consequence, and to such a degree, too, that the sum will be replaced. * * * * “Should Government borrow £20,000,000 for the exigencies of the current year, there are in that year £20,000,000 less of commodities brought to the general market than there would otherwise have been. But there is nothing in this transaction between Government and so many of the capitalists of the nation that can effect either the power or the inclination of buyers to purchase. There is as effective a demand as before, but a diminished supply: the same expenditure on the part of the customers; but, on the whole, £20,000,000 worth less of enjoyment in return for it. Had Government, instead of borrowing, raised the £20,000,000 by additional taxes, the community, no doubt, would have had £20,000,000 less to spend; but they would not have had

* Political Economy, v. 2, p. 72. Ed: 1852.

the high prices to encounter which are consequent on these abstractions of capital produced by Government loans." Pursuing this line of reasoning, Dr. Chalmers ultimately lands in the conclusion, "that the national debt *has all been virtually paid once, and yet remains to be paid again* :—paid, in the first instance, as it was contracted, by the high prices consequent on a deficient capital; and to be paid, in the second instance, to the actual creditors, either by a liquidation of the principal, or by a perpetual interest."

This doctrine, which had begun to grow somewhat obsolete, has been lately re-produced by Professor Rickards of Oxford, who, in his late interesting publication on "The Financial Policy of the War," quotes the argument and adopts it, with some slight qualifications indeed, but such as in no way affect the principle involved. Mr. Rickards concludes his remarks upon the point by stating his opinion that "the general enhancement of the prices of commodities of which we are now sensible arises, no doubt, to some extent, from the commercial causes pointed out in the passage just cited."

Notwithstanding, however, the elaborate character of the argument itself, and the weight of authority by which it is supported, I must venture to question its soundness. The reasoning appears to me to rest upon a double fallacy; it assumes, in the first place, that an abstraction of £20,000,000 from the productive capital of the country by Government loan would involve a proportionate diminution in the quantity of commodities produced; and, in the next, that this abstraction would *not* involve any diminution in the purchasing power of the community at large. Both these assumptions appear to me to be without foundation.

With regard to the first it is to be observed, that capital employed in the production of commodities* can only be employed in one of two ways, either in the purchase of the raw material of manufactures, or in paying the wages of productive labourers. If it can be shown that the capital abstracted by means of government loan is taken *exclusively* from the funds applied to the purchase of raw material, then it may be admitted that the quantity of manufactures fabricated from such raw material will be proportionally diminished, and that, consequently, the consumers of such manufactures will lose in the price what they gain in the escape from taxation which the loan system provides. This, however, will but little help Dr. Chalmers' conclusion; since the diminished funds, applied to the purchase of raw material, imply a corresponding fall in the price of such raw material, and thus the *general* advance of prices for which Dr. Chalmers contends as the necessary result of the loan system must on this supposition be given up. It is evident, however, that but a very small portion of the capital abstracted by government loan would come from that portion of the general wealth which is applied to the purchase of raw material. The rise in the price of the manufactured article, which the hypothesis implies, and the increased profit which would be the consequence, would attract

* This, of course, has reference only to the *floating* capital of the nation; that portion of the general capital which is *fixed* in buildings and machinery is obviously not available for governmental purposes.

capital from other departments of business not similarly affected, till the inequality was corrected. Without pretending, however, to trace the whole effects of the operation, it is evident that the pressure would ultimately fall in its chief extent on that portion of the floating capital of the nation which constitutes the wages-fund. And this, indeed, seems to be Dr. Chalmers' opinion; but on this hypothesis equally, it may be shown that his conclusions are untenable.

The assumption on which his argument proceeds is that each abstraction of capital effected by state-loan necessitates a corresponding diminution in the quantity of commodities produced. Now (on the supposition that the funds in question come from the general wages-fund of the country) it is to be remarked that commodities are not produced by the capital constituting this fund, but by the labourers who consume it: consequently the abstraction of capital which the argument supposes cannot be allowed to have any effect in diminishing the production of commodities, unless it can be shown to lessen the number or impair the efficiency of the labourers who produce them.

That the effect of war is to lessen the *number* of the labourers employed in producing commodities is true; since the army and navy can only be recruited by draughts upon the labouring population; but this is equally the case whether the expenditure of the war is supported by loan or taxation; and, consequently, so far as *this* point goes, the distinction on which the argument is based falls to the ground. And with regard to the *efficiency* of the labourers, the effect which an abstraction of capital would produce in this respect would depend upon the existing standard of wages in the country, compared with the extent to which the proposed operation would be calculated to depress it. Granting, what the argument of Dr. Chalmers and Mr. Rickards assumes, that the whole fund drawn off by Government loan would come directly from the active capital of the country, and would be felt in a reduction of wages (and I believe, as a general proposition, this portion of the assumption is perfectly well-founded); still, unless it can be shown that the standard of wages in the country is at present at, or so near its minimum, that the slightest reduction of wages would at once show itself in the enfeebled frame and failing energies of the workman—I say, unless this can be shown to be the necessary result of the operation, the assertion that the quantity of commodities produced would be diminished to the whole extent of the abstraction of wealth which is supposed to take place cannot be maintained. Now no one will pretend that the rate of wages which at present prevails in the country is near this minimum. When we look to the large sums which are spent by the labouring population in articles which are certainly not indispensable to the maintenance of their physical energies; when, further, we bear in mind the large amount which is expended, especially by the artisan population, in the consumption of articles which are actually deleterious, we shall hardly be of opinion (even supposing the abstraction from the wages-fund to be considerable) that the physical ability of the labourer need be impaired at all, and certainly not to the extent of this abstraction. It

appears, therefore, from these considerations that a draught upon the capital of the country by Government loan does not necessarily involve any diminution in the number of productive labourers, beyond what the same expenditure supported in any other form would produce; nor does it necessarily imply any deterioration of the productive ability of the workman: it follows, therefore, that neither on this supposition is there any ground for the assumption that an abstraction of £20,000,000, by Government loan necessitates a corresponding reduction in the quantity of commodities produced in the country.

The second assumption made by Dr. Chalmers in the argument under consideration is that while a given sum, say £20,000,000, raised by taxation involves a corresponding diminution in the purchasing power of the community, the same sum raised by Government loan necessitates no such diminution. "There is nothing," he says, "in this transaction between government and so many of the capitalists of the nation that can effect either the power or the inclination of buyers to purchase. There is as effective a demand as before, but a diminished supply, &c." It is evident from the scope of the argument that by the word "buyers," Dr. Chalmers intends to express the public at large as distinguished from the Government: the assertion, therefore, amounts to saying that a deduction of £20,000,000 from the capital of the country does not affect the purchasing power of the public. Now capitalists are certainly a portion of the public; and, according to Dr. Chalmers' own principle, the capital thus drawn off would, had it been left to its normal functions, have been employed in the production of commodities. In what manner, then, I would ask, *can* capital be used in the production of commodities otherwise than by being applied either in the purchase of raw material, or in the support of labourers, who expend it in the purchase of such articles as they require? The purchasing power, therefore, of capitalists, or of the labourers whom their capital supports, must, to the extent of the abstraction, be diminished.

It thus appears that the two fundamental assumptions involved in this argument are wholly unfounded. The diminution in the supply of commodities which Dr. Chalmers takes for granted I have shown to be no necessary consequence from the facts; and the supposition of an unimpaired purchasing power on the part of the community under an abstraction of £20,000,000 of capital I have shown to be directly contrary to facts, as well as inconsistent with Dr. Chalmers' own principles. The conclusion, therefore, which he supported on this basis, that it was the tendency of a war expenditure defrayed by Government loan to produce a high range of general prices, must fall to the ground.

Had this question as to the effect of war on prices been considered more with reference to the general laws affecting prices, the extent to which they are controlled by the quantity of the precious metals employed in the commerce of the world, and the influence which prices exercise upon the movements of the precious metals from country to country, such misconceptions as I have just been considering could hardly have taken place. In speaking of prices here, I, of course, confine my observations to those countries only

where the currency in which they are measured is either gold or silver, or paper convertible into gold or silver. Where the quantity of currency in circulation has no other limit than the will of the sovereign power of the state, the same also must be the sole limit to prices. But, with regard to those countries where one or both of the precious metals are recognized as the standard of value, it is evident that the *quantity* of these in general circulation must set the limit to the general standard of prices throughout such countries. So long as the quantity of gold employed in commerce remains the same, the only possible means by which a general rise in prices could take place, would be by a proportional reduction in the number of transactions for the performance of which the use of gold as a medium is required. Now, there is nothing in a state of war to lessen the number of such transactions; on the contrary, it is rather the tendency of war to require gold for the performance of engagements which before were transacted through other means. A vast portion, for example, of the expenditure of our armies now in the East is carried on by gold, which in time of peace was transacted by the ordinary paper currencies of the countries where the different portions of our army happened to be stationed. It is quite impossible, therefore, while the quantity of gold in the world remains as it is, that a state of war could produce any general rise of prices in the markets of the world. And equally certain is it, that it could not produce any general rise of price, of more than a mere momentary character, in the markets of any of the belligerent nations, at least in any of those from which; as in the case of our own, there is free egress for the exportation of gold. When the prices in this country, as compared with other countries with which we have commercial relations, have found their natural level, any sensible elevation beyond that level here, must necessarily operate as a stimulus to the importation of foreign productions into this country, whilst it would at the same time operate as a check to exportation; the effect of which joint action would be to send out gold in payment of the increased imports until prices here were restored to their natural level as compared with the rest of the world. It follows, therefore, that neither in the general market of the world, nor in those of the belligerent nations, so long as free trade in gold is permitted, is it possible, while the quantity of gold employed throughout the world remains the same, that any general rise in the sum total of prices could take place.

Against such views, however, it is usual for those who hold the theories which I have been combating, to refer triumphantly to the high prices which ruled during the great European war at the commencement of the present century, as well as to the high prices for most articles of general consumption which at the present moment prevail. It is proper, therefore, that to this appeal to experience a distinct answer should be given; and that the facts of the case be shown to be at least reconcileable with the principles which have been advanced.

Had those persons who insist upon a necessary connexion between war and high prices, instead of confining their attention to a very superficial glance at the commercial phenomena of the last war,

extended their researches to the history of prices during former periods of hostility, they would have seen reason to suspect the validity of their conclusions. It so happens that, during the five wars, covering altogether forty-six years, which occurred between 1688 and 1792, the price of wheat, of meat, of wool, and of most other commodities was rather lower than during the intervals of peace throughout the same period.* This may not prove that there is any necessary connexion between war and *low* prices; but at least it is, so far as it goes, a complete answer to the appeal to experience.

Coming, now, to the twenty-two years of war which followed the French revolution, it must be conceded in the first place that, for the most part, the price of agricultural produce was high during that time—at certain seasons, as in 1801, and again in 1812, exorbitantly high; but whatever countenance the theory of war prices may derive from this concession is at once dispelled on a closer examination of the facts. In the first place, quite independently of any influence which the war may have exercised, the high range of prices which prevailed between 1793 and 1815 is, if not entirely, at least in its chief extent, accounted for by the very unusual number of short harvests which occurred during that period. Those who desire to satisfy themselves upon this point I must refer to the pages of Mr. Tooke, who, in his *History of Prices*, on incontrovertible evidence establishes the fact, and shows that the fluctuations in the price of corn during that time are in every case co-incident, not with the variations in the amount of expenditure on account of war, but with the character of the seasons.

But further, even if the fact of an unusual succession of unfavorable seasons could not be made out, the statistics of prices during that time, when closely examined, are yet absolutely irreconcilable with the theory in question. Thus, for example, the price of wheat, which, in December, 1792, before the war broke out, was 47s. 2d., and which, in the spring of 1796, reached the price of 100s., fell again in November, 1798, while the expenditure on behalf of the war was increasing, to nearly its original level, viz., to 47s. 10d.† Again in the summer of 1801, just before the signing of the peace of Amiens, the price of wheat rose to 140s. the quarter, but in March, 1804, a year after the resumption of hostilities, it fell once more to 49s. 6d.‡ The year of highest prices throughout the whole period of the war was 1812. In August of that year,§ wheat was sold in Mark-lane for 180s.; but in December, 1813, it fell to 74s., and in April, 1815, just at the time when the utmost efforts were being made to prepare for the campaign which was closed by the battle of Waterloo, the price fell to 60s.; while, again in 1817, nearly two years after peace had been concluded, the price of wheat rose once more to 112s.¶ The most cursory consideration of these figures must satisfy any one that there is no kind of correspondence between the fluctuations in the price of corn and the varying in-

* Tooke's *History of Prices*, vol. 1, p. 97.

† Tooke, v. 1, p. 187-8. ‡ Ibid, v. 1, p. 255. § Ibid, v. 1, p. 323.

¶ Tooke's *History of Prices*, vol. 2, Appendix.

tensity of the contest; and, therefore, that the latter cannot, with any show of reason, be assigned as the *cause* of the former.

There is one other feature connected with the history of prices under review, which it is important to notice, as it seems to be as once destructive of the theory of "war prices," as that phrase it ordinarily understood; it is this, that the fluctuations in the prices of commodities of general consumption were very often in opposite directions; the prices of one class of articles being often found steadily to advance, while those of another class as steadily declined; proving, as it manifestly does, that such oscillations in price were connected with special causes affecting the particular commodity, and not with any cause of general operation, such as the abstraction of capital by Government loans, according to Dr. Chalmers' theory, or the increased Government expenditure incident to the war, according to the ordinary notion. Thus, for example, while between the years 1796 and the close of 1798 the prices of provisions suffered, as I have shown, a very remarkable decline, the prices of articles of colonial produce, such as coffee, sugar, cotton, and tobacco, underwent an equally striking rise;* the advance in the latter articles proceeding to 100 per cent., beyond their previous rates, while the former showed a decline of 50 per cent.; that is to say, the price of one class of articles was halved, while that of the other was doubled—a phenomenon which was repeated in the interval between 1813 and 1815 in a still more remarkable manner.

Another instance of the same kind will be found on comparing the fluctuations in the prices of meat and corn between 1804 and 1808. During these four years the price of corn exhibits a steady and progressive rise, while the price of meat as steadily falls,† and this, notwithstanding the large demands for the victualling of the army and navy which were made towards the close of 1808, when fleets and armies were being despatched for the war in the Peninsula. "If," says Mr. Tooke, in recording this circumstance, "the rise in the price of corn is to be explained by the supposed operation of Government demand, how is the fall in the price of meat to be accounted for?"

So far, then, as regards the general question, I think it is sufficiently plain that neither in the principles of political economy, nor yet in the experience of past wars, is there any foundation for the common opinion which supposes a necessary connexion between a state of war and a high range of prices for articles of general consumption. How far the existence of a state of war is calculated to produce a *disturbance* in the markets of the belligerent nations,—enhancing the price of certain articles, while it depresses that of others—is another question, and one which can only be determined by the special circumstances of each particular case. It would, at the present moment, be an interesting inquiry, and one which would serve to clear up many difficulties connected with the question under consideration, if we were to pass under review some of the principal articles of consumption in this country—to ascertain the fluctuations which have taken place in their prices since the

* Tooke, vol. 1, p. 190.

† Id., vol. 1, p. 271.

commencement of hostilities, and after making allowance for the various influences exercised upon them by causes extrinsic to the war,—such as the yield of the raw material, the circumstances affecting the production of the manufactured article, the state of demand in foreign markets, and so on,—to form some estimate of the effect upon their price, whether of exaltation or depression, which the war has produced; and thus to verify by experimental proof the conclusions deduced from general principles. Not only, however, would such an investigation have involved me in a discussion altogether inconsistent with the dimensions of a paper of this sort, but there was also against it this more conclusive objection, that I had no means of obtaining the information requisite for the prosecution of such an inquiry to any useful issue. It would, indeed, have been extremely easy to have brought forward an imposing show of statistics from the various published tables of prices current, and, by virtue of a slight exercise of ingenuity, to have cooked up a very respectable case in support of the general argument. Such statistics, however, would obviously be wholly worthless for the purpose of any sound deduction; since it would be evidently unsafe and fallacious to attribute such fluctuations as have taken place during the last two years in the price of any commodity to the influence of the war, unless we could show at the same time what *other* causes were in operation, and how far their action was calculated to modify the particular result; and this was information which, however necessary for the complete treatment of the subject which I had taken in hand, I had yet no means of obtaining.

But though, for these reasons, a systematic and detailed treatment of the subject of prices is out of the question at present, I hope to be able, with reference to one important article of general consumption, to bring forward some facts, which, while they may be found to possess some interest in themselves, will serve at the same time to illustrate the principles which I have endeavoured to establish. The article which I have in view is corn, about which, if our information is not as accurate or full as might be desired, we have yet sufficient data to guide us to some important conclusions.

It is evident there are but two possible ways in which a state of war can affect the prices of commodities—either through demand or supply.* That the present war is calculated to diminish our supply of corn in this country there can be no doubt; but what is the extent of this diminution? and how far is it likely to influence price? In order to answer these questions, the facts to be ascertained are, firstly, what is the amount of our usual importations of corn from Russian sources? secondly, how far is the existing blockade calculated to obstruct these importations? and thirdly, what proportion does the quantity thus cut off bear to the total consumption of grain in the United Kingdom?

* It has been suggested that price may be affected by cost of production, which is true, but only by its action on demand or supply; and the only way in which I can see that a state of war would affect *appreciably* the cost of production, would be in the case of foreign articles imported, by increasing the risk of importation, and, therefore, the cost of insurance; but, in regarding the effect of the present war, while the navies of Russia are shut up under their batteries or sunk, and privateering does not exist, this consideration may be safely neglected.

In endeavouring to arrive at these points, I have taken the necessary data from the Statistical Abstract of the United Kingdom published this year by Government, so far as they are given in that document; and where, in the absence of exact statistics it was necessary to resort to a conjectural estimate, I have had recourse to Mr. McCulloch's Commercial Dictionary. I am quite aware of the precarious character of all such conjectural estimates, and the consequent precariousness of any conclusions deduced from them. It will be seen, however, that in the present case the results arrived at are such as to allow of considerable latitude for error, before the character of the conclusions deduced can be materially affected. The details of the calculation I give in a note.* The general result at which I arrive is, that the quantity of grain of all kinds cut off by the blockade of Russian ports is in the proportion of about two per cent to the whole quantity consumed in the United Kingdom; and, in the case of wheat, for which we are dependent in a larger degree upon Russia than in that of other cereals, the deduction from our supply produced by the war would appear to be about four per cent of our total consumption.

Having thus ascertained, as nearly as circumstances will admit, the facts of the case, the question arises as to the effect which such a deduction (all other things being supposed the same),—a deduction say

* GRAIN OF ALL KINDS.

	QUARTERS.
Average annual quantity of grain of all kinds derived from Russian sources, southern as well as northern ports, (4 years ending 1853)	1,324,539
Quantity which we shall probably continue to receive from Russia during war, either overland through German ports, from the Danube, or by eluding the blockade	300,000
Total quantity of grain of all kinds cut off by the blockade	1,024,539
Total consumption of grain of all kinds in the United Kingdom, (Mr. McCulloch's estimate)	53,900,000
In round numbers, therefore, the quantity cut off by the blockade is to the total supply in the ratio of 1,000,000 quarters to 54,000,000 quarters, or something less than 2 per cent.	

WHEAT.

Average annual quantity of Wheat derived from Russian sources (4 years ending 1853)	785,800
Probable quantity which we shall continue to receive	100,000
Total wheat cut off by blockade	685,000
Total consumption of Wheat in the United Kingdom (Mr. McCulloch's estimate)	18,000,000
The deduction, therefore, effected in our total supply of wheat through the operation of this blockade would be about one twenty-sixth or 3.88 per cent.	

Perhaps some will be of opinion that I have not allowed sufficiently for the greater stringency with which in future the blockade will be enforced. To which I answer that, even if we suppose the exclusion of Russian supplies to be absolutely complete, something must still be allowed for the tendency which such exclusion would have to force Russian wheat into the German markets, which, if it did not reach us by an indirect course, would at least have this effect—that it would lessen the competition against us on the part of the Germans in the markets of the world; at all events, if we assumed the whole to be cut off absolutely, the difference would not very materially disturb the calculation.

of four per cent from our supply of wheat, or of two per cent from grain of all kinds,—is calculated to produce upon the price of wheat, or of grain in general. This is a problem to the solution of which unfortunately no certain rule can be applied. It is beyond question that a given deficiency in the supply of wheat, or other grain used for human food, will produce a greater effect upon the price than a corresponding deficiency in the supply of any other commodity whatever; and for this very obvious reason, that a man will make any sacrifice rather than be deprived of his accustomed share of that which is necessary for his subsistence. It is also evident that the result will depend in a considerable degree upon the condition of the bulk of the population, and the surplus means at their disposal beyond what is required for the purchase of subsistence in ordinary times—a consideration which is of particular importance in estimating the effect of deficiency at the present time. Bearing these principles in mind, and taking, further, as our guide, the practical rule which Mr. Tooke tells us has generally been found to hold good, viz., “that the price of corn in this country has risen from 100 to 200 per cent and upwards, when the utmost computed deficiency of the crops has not been more than between one-sixth and one-third below an average, and when that deficiency has been relieved by foreign supplies,”*—I say, giving due force to all these considerations, I don't think I shall be very far wide of the mark, and certainly am not likely to be *under* the mark, if I assume that a deficiency of nearly 4 per cent in the supply of wheat would cause a rise of not less than 25 per cent in its price. So far with regard to the question of supply.

And, then, with regard to demand, it appears to me that the effect of war in this respect is very unimportant. There are but two ways in which, so far as I can see, the prosecution of hostilities can lead to any increase in the consumption of food—either in the actual destruction of stores, against which we have to set off (what probably would more than balance the account) viz., the destruction of consumers in the losses of the hostile armies, or, secondly, in the additional quantity of bread consumed by our soldiers abroad beyond what the same men would have consumed had they continued to form part of the labouring population at home; and this I conceive would be something quite insignificant, and probably would not produce as much effect on the price of corn as a single wet day in harvest time.†

The influence of the war, therefore, as far as I am able to compute

* History of Prices, vol. 1, p. 13.

† In noticing this point, Mr. Tooke remarks (History of Prices, vol. 1, p. 101. *note*), “This additional consumption is hardly worth mentioning; for, take it at its utmost, it is a quantity quite insignificant compared with the difference between a good and bad crop of wheat. Suppose, for instance, that the extra consumption is four bushels of wheat per head for each (an extravagant supposition) of the men composing the army and navy; suppose these to have amounted to 300,000, there is an extra demand for 150,000 quarters. While between the limits of a bad harvest like 1816, which has been computed as low as 9,000,000 quarters, and an abundant one like 1820, which was supposed to have yielded 16,000,000, there is a difference in supply of 7,000,000. And, accordingly, it is well known by experience that the most wasteful consumption produces very little impression on a superabundant crop.”

it, goes but a short way in accounting for the high price of corn, which we have now for some years been experiencing. Let us see whether we cannot find the explanation in other causes. And, first, let us contemplate the exact character of the problem for solution. It appears by reference to the Statistical Abstract published by Government, that from the last months of 1849 to the end of 1851 there was but little fluctuation in the price of corn. The price of wheat was particularly steady, ranging between 38s. and 42s. the imperial quarter. From about the end of 1851, however, barley and oats are found to advance, an advance in which wheat does not appear to have shared till about a year later. But from the beginning of 1853 a steady rise is exhibited in the price of wheat, till, in January, 1854, three months *before* the war broke out, the average price of wheat rose to 80s. 1d.—a point which has not since been much exceeded. From that point a reaction was experienced, and in September of the same year, six months *after* the declaration of war, the price of wheat had receded to 56s. 7d., and in October to about 58s., from which point again it has advanced, and after some slight fluctuations it again stands at upwards of 80s. Further it is to be noted, that, as the high price of corn does not coincide with the war in point of time, no more does it in point of locality. In 1853, according to a statement which I find in the *Daily News* (November 9th, 1855) “the average price of wheat in Prussia was 45s. 9d.; being 13s. 11d. above the average of the previous twenty-five years; and it has since continually risen.” In New York last year, corn was as high as in London; and notwithstanding the large yield of the late harvest in the United States, the price, I understand, is still maintained.

I suppose it will not be denied that a considerable portion of these fluctuations is to be set down to the character of the seasons; tho’ I think it will scarcely be maintained that the seasons afford a complete explanation of the phenomenon. Unfortunately the records of agricultural statistics in the United Kingdom are not such as will enable us to form anything like an accurate estimate of the influence of this cause; and we have all seen what a wide discrepancy of opinion exists upon this subject amongst practical men, who yet all profess to have formed their opinion from the minutest personal inspection. Even, however, if we suppose the utmost deficiency in the crops in England that has been contended for, and if further we assume (what I believe is the case) a considerable deficiency of yield in some continental countries, this will scarcely be sufficient to explain a rise of 100 per cent in the price of corn as compared with four years ago: a rise, which, with a single and almost momentary exception, has had no parallel throughout the last thirty years, (in the course of which we have had harvests quite as deficient as that of last year, and the greater portion of which was passed under protective laws;) more particularly, when we have to set against the deficiencies of the European markets the overflowing yield of this year’s crop in America. It appears to me evident that to explain fully the present high price of corn, we must take into account other influences, which have been strangely enough almost quite overlooked in all the controversies on this question; and these are, firstly, the increase which has, in the

course of the last five or six years, taken place in the number of corn consumers in the world, and by consequence in the demand for corn; and, secondly, the increase in the quantity of the circulating medium of the world, which has resulted from the gold discoveries in California and Australia.

With regard to the first point, it cannot, I conceive, be doubted that in the case of the United Kingdom the consumption of corn has, on the whole, increased. It is true the population of this portion of the empire has of late years diminished; but the rate of wages is higher, the reduced population is much better off, and the number now who can afford to eat bread cannot but be greater than some six years ago. In England and Scotland the population is increasing, and wages certainly have not fallen. The consequence must be an increase in the demand for corn. In America not only is the population increasing by virtue of its inherent fruitfulness, but it has also, during the last six years, been enormously swollen by immigration. The effect of the emigration from Europe has had a two-fold operation on the demand for corn—firstly, by thinning the supply of labour in the old countries it tends to raise wages, and thus to increase the number of those at home who can afford to consume corn, and especially the better kinds of corn; and secondly, by the new demand created by the emigrants in America, who, sharing in the high rate of wages which prevails there, at once take their place in the rank of corn-consumers.

We shall be further confirmed in this conclusion if we consider the vast extension which has taken place in the foreign trade of the United Kingdom, and, by consequence, of the world, in the last five or six years. To take one or two instances, the exports from this country to the United States and California have increased from (in round numbers) £12,000,000, in 1849 to nearly £24,000,000 in 1853; while in the case of Australia the exports thither have increased from £2,000,000 in 1849, to £14,000,000 in 1853. And in many other countries, as, for example, our North American possessions, the Hanse towns, Holland, Belgium, and France, the increase has also been steadily progressive. The plain inference from these facts is that the wealth of these communities has been greatly augmented, and consequently the purchasing power of the general population.

If this account of the matter be correct, we might expect to find the advance which has taken place in the price of corn accompanied by a corresponding advance in the price of other articles which enter into the consumption of the general population; since the same augmented purchasing power which has been assigned as the cause of an increase in the consumption of corn, would be equally efficacious in extending consumption in other directions, and would manifest itself there also in an advance of price; and such in fact we find to be the case. The price of butcher's meat, for example, is now about two pence a pound higher than it was in 1851 and 1852; and this notwithstanding the increase which has taken place in the supply of stock during that time. I may remark by the way, that tho', at particular junctures, the markets would seem to have been affected in a slight degree by the operations of Government, yet that,

on the whole, the advance which has taken place does not exhibit any general correspondence with the progress of the war expenditure. The price, for example, from March to August, 1853, a year before the declaration of war, was almost as high as it is at present; while during the first half of 1854, while hostilities were either in active preparation or being actually carried on, the price on an average appears to have fallen about three halfpence the pound. What is manifest in this case, as in the case of corn, is on the whole a progressive advance, not commencing with the outbreak of hostilities, but at least two years earlier, about the year 1851, accompanied by some remarkable fluctuations, which are evidently due to special causes of a temporary character affecting the particular commodity.

But while the enlarged demand, springing out of this great and almost unparalleled industrial and commercial developement, has been powerfully tending to augment the *real* exchange value of the necessaries of life, another cause has been in operation of a still more general character, tending to act upon their *nominal* value as well as upon the nominal value of all other things. The Californian and Australian mines have now been, the one six, the other three years in full work. According to the returns given by Mr. Newmarch in his treatise on "The New Supplies of Gold," the quantity of gold produced in both these places up to the end of 1852 was £56,000,000; and, supposing the mines to have gone on producing at the same rate since that time, the increase to the circulating medium of the world from these sources alone cannot now be less than £110,000,000 sterling. The action of this vast additional sum upon the prices of commodities (as has been shown by Professor Walsh in his able paper upon this subject,*) has been, owing to the influence of other and concurring causes, to a certain extent neutralized and to a certain extent concealed. Professor Walsh, however, is of opinion,—an opinion which is fully supported by the facts which he adduces,—that this great increase of the circulating medium is now beginning to make itself felt in a general advance of prices—an advance which he shows must, in the first instance, manifest itself chiefly in the price of those articles which fall within the consumption of the general population. To his remarks upon this subject I will venture to add, that, as one of the principal causes which have hitherto neutralized the action of the increased gold supplies upon prices has been the great commercial developement of the last five or six years, opening as it did new channels to the new supplies of gold almost as fast as they were produced; and as this commercial progress would seem now to have received a slight but decided check; it is just, therefore, at the present time that the effect of these new supplies in advancing prices might be expected unequivocally to show itself. In other words, the principles of economic science applied to this problem lead to conclusions which strictly correspond with the actual facts of the case.

The result, then, of this inquiry into the present high price of

* Journal of the Dublin Statistical Society, part 4, January, 1856.

corn is that, though in some degree caused by special influences connected with the war, though in some degree the effect of unfavourable seasons, it is principally due to that increased demand for food which has arisen out of the commercial enterprise and industrial activity of the last six years, and in a slight measure also to the depreciation in the value of gold, consequent on the great increase which has taken place in its quantity. If these conclusions are to be trusted, some important consequences may be deduced from them. We may infer, in the first place, that as the present high price of corn is but in a slight degree connected with the existence of hostilities, it may consequently be expected to be but in a slight degree affected by their cessation. We may further, from a consideration of the nature of those causes to which this high range of prices is principally owing, judge as to their probable duration and effects. So far as the advance which has taken place in price is owing to the demand for corn outrunning the supply, so far, it is evident, it must continue till the supply shall be made to overtake the demand. Whether it shall *ever* recede to its former level as a permanent average must depend upon the extent to which the skill and knowledge brought to bear upon the practice of farming may ultimately overcome the increasing difficulty which always attends the extraction of increased produce from the soil. On the other hand, whatever portion of the advance in price is due to the increased supplies of gold, this, so far from falling off, must continue and progress so long as the yield of the gold mines continues. It is, however, to be borne in mind, that whatever advance in price corn may experience from *this* cause, has no tendency permanently either to benefit or injure landlord, farmer, or consumer.* It can have no permanent influence on the value of either rents, profits, or wages; and for this reason, that any rise of price resulting from a depreciation of the circulating medium will, in its ultimate effects, extend itself equally over all other commodities; its operation, therefore, so far as regards the permanent interests of those classes must be entirely nugatory.

In the foregoing observations (of the extremely incomplete and meagre character of which, I beg to say, I am perfectly sensible), I have been occupied rather in showing what effect war does *not* produce on prices than in showing the effect which it does produce. It is evident, however, that the first step towards a satisfactory discussion of this subject must consist in clearing away the various hypotheses and hallucinations which surround it. Even if we went not a step further, it appears to me that the practical lesson to be derived from such merely negative conclusions is far from being unimportant. If producers, merchants, and dealers, instead of acting on some hazy notion that in time of war prices must be constantly rising, would direct their attention more steadily, each to the cir-

* To this general assertion, the reader will apply the proper and obvious limitation, namely, as regards persons whose incomes consist of a fixed money sum, who evidently must be losers to the extent of the depreciation. All that is intended to be asserted is, that the depreciation of the circulating medium through an increase of its quantity will not affect the profitableness of the different modes of investment either absolutely or in relation to each other; nor, again, the relation between these and the real value of services.

cumstances of his own business,—to the actual stocks in the country and the actual demand in the market,—and would content himself with acting on such knowledge, much foolish speculation and much unnecessary aggravation of the inevitable evils of war might be avoided. Amongst farmers in particular the belief that war and high prices are inseparably connected is extremely strong; and I have little doubt that the advance in the price of corn which took place some months ago, considerably beyond what experience has since proved the conditions of demand and supply warranted, is entirely to be attributed to this conviction. Farmers, in the hope of extravagant prices, held back their supplies from market till they produced the phenomenon they desired. Now, however, when they are bringing their supplies into market, prices, which were before unduly inflated, are beginning to recede, and will decline as much below their natural average as they were previously forced above it. Nor is corn by any means the only instance in which this delusion has led for the moment to the fulfilment of its own predictions. The recent rapid advance and as rapid decline in sugar is also, I suspect, to be attributed to the influence of the same delusion; and other cases might be mentioned.

Though, therefore, the reasonings of this paper have been directed chiefly to conclusions of a negative kind, tending to establish what war does *not* rather than what it does effect, I hope it may not be regarded on this account as entirely without point or application. When the fundamental errors which prevail on this subject are removed, the question becomes then reduced for the most part to a question of fact, respecting the particular circumstances of each trade—a question which those engaged in such trades are in general much more competent to decide for themselves than any mere theorist like myself can be to decide for them.

III.—*Condition of the Labouring Population of Jamaica, as connected with the present state of Landed Property in that Island—*

By Richard Hussey Walsh, LL.B., Archbishop Whately's Professor of Political Economy in the University of Dublin.

[Read before the Statistical section of the British Association, Glasgow, September 13th, 1855.]

INTRODUCTION.

THE Council of the Dublin Statistical Society have directed me to bring before this section a report containing the result of an inquiry into the condition of the labouring population of Jamaica, as connected with the present state of landed property in that island. The inquiry was commenced in the year 1853 by the Council of the Social Inquiry Society of Ireland, which is now amalgamated with

the Dublin Statistical Society. The very interesting work of Mr. Bigelow, of New York, entitled "Jamaica in 1850," brought forward some statements showing a remarkable similarity between the condition of that island at the period in question and that of Ireland at the time of the famine. Thus, in each case there were incumbered proprietors, absentees, want of application of capital to the soil, allegations of insuperable indolence of the labouring population, and an old industrial system some years superseded, yet its effects still remaining. The Council were at that time engaged in conducting some inquiries into the social condition of Ireland, the results of which have since been published; and it was thought that an investigation into the state of Jamaica would throw some light upon the questions common to both countries, and serve either to corroborate or refute Mr. Bigelow's views concerning the latter; which, however satisfactory they might appear to any one entering upon the inquiry for the first time, are at variance with those entertained by most of our countrymen who have written on the subject. An intelligent Baptist missionary from Jamaica having been consulted as to the proposed investigation, undertook to obtain answers to a set of queries from several of the missionaries in the island—with the assistance, upon the legal questions, of a lawyer of some eminence. These answers have been obtained, and are published as an appendix* to this report. But their substance, and the general character of the results they furnish, need a few comments. Not only are the conclusions they indicate intrinsically important as leading the inquirer to the root of the evil, and thereby pointing out the remedy called for, but they must also prove highly useful in clearing away a host of errors, which, so long as they prevailed, proved an insurmountable barrier against any practical effort towards ameliorating the condition of the island. By the Emancipation Act of 1833, the slaves in Jamaica were set at liberty; and, subsequently, by free-trade legislation, especially the act of 1846 for removing the protective duties in favour of colonial sugar, her products ceased to enjoy a monopoly in the markets of the United Kingdom. But previously to either of these acts, the proprietary had been in a state of hopeless insolvency, as I shall show farther on; and their effect was simply to compel "a balance to be struck between the debtors (the proprietors) and their creditors, which revealed rather than begat the poverty which now no effort can conceal." But a frightful state of embarrassment they did reveal, and, by revealing, aggravated; and loud were the cries of distress from the planters. Their case occupied much of the attention of politicians and writers. Lord Stanley (then Mr. Stanley) visited the island a few years before Mr. Bigelow, with the praiseworthy object of ascertaining, by inspection, and at the risk of much personal inconvenience, the condition of the planters; and Mr. Carlyle devoted to their service the powerful influence of his pen. Both these and their clients agreed pretty fully as to the cause of distress. It was thus made out:—production to be profitable could not be carried on in the West Indies when the power of coercing the Negro to work no longer existed, unless the effects of

* See Appendix A.

his indolence and inefficiency were counteracted by a premium on the products of his labour in the shape of protective duties; which latter having been withdrawn, the negro could not be induced to work without the payment of such enormous wages as would ruin the employer. Mr. Carlyle, in his "Occasional Discourse on Negro Slavery," represented the black as refusing to work, and calling out for higher wages, while the cane crop of the distracted planter is perishing; and Lord Stanley, in his letter to Mr. Gladstone, adopted a similar strain, and declared that the negro for his services, such as they are, "demands a price which would be deemed exorbitant in any other part of the world." Accordingly they concluded a remedy should be devised upon the supposition that the services of the free negro were not worth what must be paid for them; and Lord Stanley proposed to meet the evil by increasing with duties the price of the produce of his labour; while Mr. Carlyle inclined to the opinion that it might be necessary to increase its productiveness by arming the employer with powers of coercion by the restoration of slavery. These conclusions might have been acceptable to West India planters, as they afforded an excuse for doing nothing. Their love of ease was gratified in this respect; and their self-love was likewise flattered, since they were taught that the evils from which they suffered were none of their own doing. But, beyond this, there is nothing very consolatory in either recommendation. One of them conflicts with the best feelings of humanity, and the other is at variance with the modern spirit of our commercial legislation. And both of them, it may safely be asserted, are unattainable. It is certain we shall not go back to slavery, and highly improbable we shall ever resume protection. And all this while it does not seem to have occurred to either inquirer to ascertain what these exorbitant wages were whose excessive amount demanded such desperate remedies. Had they done so, it would have appeared they were proceeding on an erroneous supposition; that wages, estimated in money, instead of being exorbitant as alleged, were extremely low; while, measured with reference to many of the necessities of life, they were still more inferior; the prices of the commonest articles of food, moreover, being enhanced by import duties, part of whose destination was to furnish the means of promoting the immigration of labourers from other parts of the world—such as coolies from East India, and negroes from Africa. Thus, in the enhanced price of his food, the labourer paid for increasing the supply of competitors to beat down yet further his scanty earnings. Not only were his wages low, but out of them he was compelled to pay taxes to be employed in making them still lower. And when, in the face of such circumstances, we find a writer of Mr. Carlyle's ability wielding his pen in support of the interests of Jamaica, without taking the trouble of informing himself as to the facts of the case, we are forced to regret his possession of the gifts and talents he is endowed with, when the only purpose they are turned to, is to attempt to supply the want of accurate information by forcible language and bold assertion. If the effect of literary skill is but to induce a writer to dispense with the calm eloquence of facts, then must its acquisition be looked upon as a curse instead of a blessing. And, unfortunately,

too many of the most eminent of the litterati seem to have attained it for nothing else. Their powers, which might have been directed advantageously towards the defence or sustainment of the best interests of civilization, are unnaturally employed to subvert them. They fail to afford mankind protection and utility; and, contrary to the purposes they might so beneficially have answered, are turned into a source of oppression or instrument of destruction, like a sword in the hand of a brigand, or a steam engine driven by a madman.

WAGES AND LABOUR.—According to the return of the Baptist Missionaries, the wages of agricultural labourers vary from 1s. to 6d. a-day on ordinary occasions, but at crop time, and all such rare instances as there is an unusual demand for labour, they rise sometimes to 1s. 3d. Carpenters, masons, and other tradesmen receive from 1s. 6d. to 2s. 6d. a-day. These wages, it will be perceived, are far lower than those even in the most unfavourably circumstanced portions of the United Kingdom. And when they are estimated by reference to the amount of articles which can be purchased with them, the discrepancy is yet more apparent. Ground provisions, such as yams, vary in price from 6s. to 16s. per cwt. Take what may be considered the corresponding species of food in this kingdom, potatoes, and we find that half the higher of the prices just given, or 8s. per cwt., is a limit not very often exceeded, and usually, at least in the rural districts of Ireland (where the potato is principally consumed), not approached within a good deal.

In most cases, prices are enhanced by duties. When these returns were prepared, American flour, subject to 8s. duty per barrel of 196lbs., sold at from forty to forty-six shillings, and was retailed at 3d. per lb. Salt pork and beef were retailed at from 9d. to 1s. per lb., paying a duty of 20s. per barrel of 200 lbs. The duty on pork was 2s. per cwt., or 4s. per barrel, according as it was dried or otherwise made up. And butter was charged with 9s. per cwt. duty, cheese 10s., and rice 3s. But by a late act, the tariff of Jamaica has been greatly altered for the better in this respect. Salt meat per barrel is charged only 6s. instead of 20s., and when dried, the duty is 4s. per cwt.; flour, 1s. instead of 8s.; butter, 3s. instead of 9s.; cheese, 4s. instead of 10s.; and rice reduced from 3s. to 1s.

I have compared the scale of wages furnished by the Missionaries with the accounts transmitted last year by several of the stipendary magistrates of Jamaica to the Governor, Sir Henry Barkly, and by him forwarded in a despatch the beginning of last year to the Secretary of the Colonies, the Duke of Newcastle; who, I may remark, by the way, was rather in want of information of the kind; for in his despatch to Sir Henry Barkly, on his appointment as Governor, he seems to be fully impressed with the prevalent idea that high wages were at the root of the evils of Jamaica. The distress of the planters, he stated, must endure "until the rate of wages should have been brought to correspond with that of prices;" a result, he was of opinion, which should be produced by encouraging immigration. And he further laid down that "looking their (the negroes) permanent welfare, it would be no misapplica-

tion of the produce of the taxes paid by them, to suffer it to be expended in the importation of competition for employment, which should bring down the rate of wages which the employers of labour are under present circumstances necessitated to give." Now the account of wages given by the magistrates does not differ much from that of the missionaries, and we may be sure that had the despatch in question, reached the Duke of Newcastle before he wrote the letter from which I have quoted, a person of his well known philanthropy would never have stated that the recovery of the island was to be looked for in the reduction of wages, seeing that these rarely exceeded a shilling a-day, and that the prices of what the labourer consumed, rendered very dear by industrial mismanagement, were enhanced yet more by the pressure of taxation. That such extravagant ideas about the rate of wages in Jamaica should have been suffered to obtain currency in this country reflects much discredit on our public instructors, who have generally far more time to acquire accurate information than can possibly fall to the lot of a colonial minister, amidst his weighty and multitudinous duties. But to return to our subject. Out of the nine cases in which the returns of the magistrates and missionaries can be compared, wages agree precisely in two, the rate in each being 1s.; in two more, the only rate returned by the missionaries, (1s.), agrees with the inferior limit assigned by the magistrates, the superior limits being 1s. 6d. and 2s.; in one, the only rate given by the former, 9d., is less than that of the latter, 1s.; and in four, where either gives two limits, the other furnishes but one rate intermediate between them, and which, therefore, may represent the average rate in the district, consistently with the returns of the extreme rates being correct. In these last cases, the returns of the missionaries are 1s. in two instances; from 6d. to 1s. 9d. in the third; and from 9d. to 1s. in the fourth. The corresponding returns of the magistrates are from 9d. to 1s. 6d., (in the cases where the missionaries state 1s.); and 1s. in those where the others give from 6d. to 1s. 9d., and from 9d. to 1s. From these figures, it may safely be concluded, agricultural wages on an average do not differ much from 1s. a-day.*

As to the length of the working day, for which the proceeding rates are paid, the missionaries give us no information. The magistrates tell us in a few instances; one (Mr. Kelly) states it at nine hours; another (Mr. Ewart), at from five to seven; and a third, (Mr. Davis) says that in his neighbourhood it is no more than from three to four hours. I do not think, however, Mr. Davis's statement deserves the same credit as Mr. Kelly's or Mr. Ewart's. His report is a hasty production, drawn up evidently with little care, and in a spirit very hostile to the labourers. The others are written apparently in an extremely impartial spirit, and one of them, at least, evidently prepared with much care and attention. And if the time appears short compared with what our notions are of what a day's work ought to be, we must remember that so many hours toil in a tropical climate is far more severe than in temperate regions such as we dwell in.

* See Appendix B.

We are thus led to the conclusion that whatever be the cause of distress in Jamaica, it cannot be high wages. It will be said, perhaps, that though wages are not high, yet labour is dear, the inefficiency of the workman, and his disinclination to exertion more than compensating for the moderate rate of his daily payments. Even if this were the case, the common complaint about high wages is scientifically incorrect, and practically injurious, because calculated to place the public under the impression that it is the enormous amount which must be paid by the day, week, or any other specified period for the service of the labourer, and not the inefficiency of these services, which is at the root of the employers difficulties. As to the idleness of the negro and his alleged disinclination to labour, it is true, no doubt, he would not stand comparison advantageously with the superior classes of European workmen; but we are not from this to infer that all that is said about his idleness by Jamaica planters and their advocates is on that account true. They loudly complain of the negro's unwillingness to labour, but pass over in silence their own disinclination to pay wages; the latter, moreover, being a very natural cause of the former. The people are willing to work if sure of being paid, we are informed in the report of Mr. Hill, one of the most intelligent of the magistrates; and where, it may be asked, will people be found who are willing to work any other terms?

CONDITION OF LANDED PROPERTY.—It has already been shown that whatever be the impediment in the way of the development of the national resources of Jamaica, it is not a high rate of wages, the fact being that wages are remarkably low. Of the three instruments of production, accordingly, Labour, Capital, and Land, the first may be had on sufficiently reasonable terms. As for the second, it may be laid down as a general rule that capital finds its way to whatever place there is a favourable opportunity for investing it; and in any case, (without pushing the doctrine so far,) it is well known that colonial industrial enterprises which present fair prospects of success, can command in abundance the annual accumulations of wealth which leave the English money market, day after day, in search of some profitable employment. But when we come to consider the third instrument of production, apparently the most abundant and accessible, we discover at length what is really the principal cause of the distressed state of Jamaica; landed property being so circumstanced that there are strong objections to devoting to its cultivation a sufficient amount of capital. *Estates at present are so encumbered with debt, the owners cannot do justice to their possessions; and, at the same time, the state of the law is so defective, they are prevented from changing hands as they ought, and thus coming to those of persons who might turn the land to good account.* This state of indebtedness is nothing new. We have it on the authority of many writers, but it is best to give it in the words of the planters themselves, which amply confirm the statements of others, including those who furnished the information to the Council of the Dublin Statistical Society. Mr. Hill, one of the Stipendary Magistrate, in his report to the Governor, refers to the embarrassed state since 1772, of old Jamaica properties, and proves it by memorials from the House of Assembly, beginning at so early a period as 1792.

"In a report of Nov. 23rd, 1792, we are told that in the course of 20 years, which at once sets us back to 1772, one hundred and seventeen estates in Jamaica had been sold for payment of debts, and ninety-two more were in the hands of creditors; and that executions had been lodged in the Provost Marshal's Office for £22,563,786 sterling."

In a report for November 23rd, 1804, is stated that "every British merchant who holds securities on Jamaica estates, is filing bills to foreclose; although when he has obtained a decree, he hesitates to enforce it, because he must himself become proprietor of the plantation, of which, from fatal experience, he knows the consequences;" That "all kind of credit is at an end;"—"that if litigation has diminished, it is not from increased ability to perform contracts, but from confidence having ceased, and no man parting with property but for immediate payment;"—and that "a faithful detail would have the appearance of a frightful caricature."

In another report of Nov. 13th, 1807, after setting forth that the "distresses of the sugar planters have already reached an alarming extent, and are now increasing with accelerated rapidity;" it states that "sugar estates lately thrown up, brought to sale, and now in the court of Chancery, amount to about one fourth of the whole number in the colony; that "the Assembly anticipates very shortly the bankruptcy of a much larger part of the community, and, in the course of a few years, that of the whole class of sugar planters."

In a petition of the House of Assembly to the Prince Regent, dated December 10th, 1811, it is therein detailed, that "estate after estate has passed into the hands of mortgagees and creditors absent from the island, until there are whole districts, whole parishes, in which there is not a single resident planter of a sugar plantation."

The first three of the reports here quoted take up the period when a flood of enterprise was pouring into the colony every fresh cargo of slaves from the coast of Africa. The memorial to the Prince Regent embraces the period when all the foreign colonies, except those of Spain, were in the hands of England, and the monopoly of colonial produce in the hands of her merchants. Before going further, it is worthy of incidental notice, that these memorials furnish a fair sample of the effects of governments propping up artificial systems of production. When such is the case, prosperity is looked for as the result of state interference, not of individual exertion; and, when any difficulty arises, assistance is sought by similar means, instead of endeavours being made to avert the calamity by self-reliance and energy. While the farmers of the United Kingdom were protected against foreign competition, the legislature was perpetually beset with complaints of agricultural distress; but since the introduction of free trade, they have ceased publishing their troubles to the world, and have learned to rely on skill and industry—confining themselves, like other men of business, to their own affairs, and not watching the political horizon to see what more can be gained in the way of monopoly. To return to our subject, however, the preceding extracts establish the embarrassed state of properties in Jamaica at a remote period—before 1807, when the slave-trade was

abolished—before 1834, when slavery was discontinued—and before 1846, when free-trade in sugar was inaugurated. But although then, as now, estates were incumbered—yet then, unlike now, production was not thereby put a stop to—at least for any considerable time. This deserves an explanation, and it will lead us to the second cause of the present distress. When land is heavily incumbered, the weight of debt does not leave the owner enough to cultivate it properly, and cultivation must decline until the land gets free. This is usually effected by the owner being sold out through the expensive instrumentality of the Court of Ceancery. The cost of such a transfer has little connection with the size of the estate. It is always considerable; but if the estate be large and valuable, it bears only a small proportion to the purchase money; while, if it be not so, the cost both to buyer and seller is very great compared with the interest they have at stake, and must prove a powerful restraint against transfer. Estates in Jamaica are usually very extensive; and so long as people were found willing to risk a large amount of capital in such an investment, the incumbrances of a property caused not a very great interruption to its cultivation; and, accordingly, as one owner was ruined, another stepped in and filled the breach; and production was resumed with accustomed spirit and energy. It will be asked, why were large capitalists willing formerly, to come forward, though ruin so often was the result, while at present they exhibit no corresponding alacrity? For this two reasons may be assigned, which will satisfactorily account for the discrepancy. The first is, that while the slave-trade and colonial monopoly endured, the profits of Jamaica estates underwent extraordinary fluctuations; the gain thence derived, in some instances, being as wonderful as the losses in others were ruinous; and the success of the fortunate luring on numbers to their destruction, like the attraction of a lottery or gambling table. At one time the supply of labour would be rendered unusually abundant by the arrival of great cargoes of negroes. At another, difficulties were experienced in getting the accustomed supply on the coast of Africa; or war or storms might intercept a large quantity in the homeward journey. Besides, when man was looked upon as a mere article of trade, it was not to be expected much trouble would be bestowed upon his care and maintenance; and thus not only did the supply of blacks from abroad vary remarkably, but that at home was subject to all the vicissitudes attending destructive epidemics promoted by neglect. The prices of sugar and other colonial products were yet more variable than the supply of labour. Not only were they exposed to the variations attending a restricted market and limited competition, but they changed likewise with the alterations in duties introduced capriciously from time to time by the home government, and the occasional addition of colonial competitors, according to the conquests achieved by the parent state, and the terms she imposed on her new acquisitions. These circumstances induced great and frequent variations in the profits of Jamaica estates; and though ruin so often was the fate of the owner, large fortunes, on the other hand, were not unfrequently acquired—these brilliant exceptions

imparting a stimulus to the investment of capital, and thus keeping up the cultivation of the island.

As, under the system we have been describing, production could be carried on upon a great scale only, (the expense attending the purchase of slaves, and other causes which it would be tedious to enumerate, rendering it out of the case that any small capitalist should enter the field of competition,) it was usual to buy land in large quantities, and thus the expense of transfer, as already explained, arising from the imperfect machinery of the Court of Chancery, was not so great an impediment to sale as of late years, when, from altered circumstances, the conditions of production were reversed; and in Jamaica, as in most other thinly peopled countries, it became most profitable to produce on a comparatively small scale, and purchase land, therefore, in quantities proportionably reduced. Hence it is easy to comprehend why formerly the land changed hands when the owner was no longer able to make much of it, as the expense of transfer, though absolutely great, was not remarkably high compared with the purchase money; whereas now it is relatively enormous, remaining unchanged indeed in absolute amount, but proving oppressively burthensome when we take into account the smallness of the lots in which lands at present will alone be purchased. Large estates no longer find buyers. They do not suit the means or inclinations of parties on the spot; and the capitalists of the parent state have no motive to add their names to the list of ruined absentees. But whatever impediments the Court of Chancery threw in the way of the sale of large estates, it brought to bear with tenfold vigour against the transfer of small lots. The expense would be destructive to the parties concerned, and the questionable title it confers on a purchaser is another obstacle. When the estate is large and valuable, the expense of conducting those investigations into title, which may render it certain to the buyer he shall not be deprived of his acquisition, is small in relation to the cost of the entire transaction, and may be incurred without any very great inconvenience. But, in case of small estates, it is just the reverse; and they, we may be sure, in both instances, will either not be purchased at all, or else taken subject to the risk of unsearched-for incumbrances—a circumstance which will discourage the new owner from investing much of his labour or money in the improvement of his purchase. Hence, for want of purchasers, lands are placed by their creditors under Chancery receivers, and it is easy to conceive how wretched must be their condition. In the replies to our queries we are informed “the Court of Chancery in Jamaica, an independent jurisdiction, has similar local powers to the Court of Chancery in England, and can and does appoint receivers of incumbered estates. Most Chancery estates, so called, are in ruinous condition, or else abandoned to the receiver by reason of the costs of litigation and management,” (or, rather, mismanagement).

We have now a clear insight into the causes which prevent the establishment of agricultural prosperity in Jamaica. It is necessary for much of the land to change hands, and this the law virtually prohibits. While several large estates were to be disposed of in

unbroken lots, it did not prove an insuperable obstacle; but when a new industrial and social system brings a larger number of estates into the market, and each of these must usually be disposed in many lots, the number of sales to be effected is greatly increased, and the relative cost of each, and consequent obstacle to its coming to pass, advance in a like proportion. On this subject it is unnecessary to dilate. The sale of land is impeded in Jamaica, as formerly in this country, by slow and expensive proceedings in court, stamp duties, and uncertainty of title, (the latter to be guarded against by expensive investigations, or else the title taken with all its doubtfulness;) and the remedy is to be found in the introduction of summary procedure and parliamentary title, together with the abolition of those stamp duties and court fees now forming an item in the cost of transfer. This remedy, in all its integrity, it is much to be hoped, may soon be introduced. Some steps in that direction have already been taken, but it does not appear that they are followed up in the manner which the interests of the island so imperatively demand. Of late years the prices of colonial produce, sugar in particular, have risen considerably; and, with their advance, the intensity of the distress under which the planters had been for some time previously suffering has been greatly mitigated. It will be very deplorable if this temporary relief has but the effect of preventing the application of a remedy to correct what is radically unsound in the institutions of the island, the effects of which must break out again in every season of commercial and agricultural difficulty.

CONCLUDING OBSERVATIONS.—The chief impediment to the adoption of the most important remedy for distress in Jamaica, is to be found in the circumstance of its being unpalatable to those who have had hitherto most influence in the management of her affairs. Where land is readily marketable it must quickly pass to the possession of those who can turn it to the most profitable account; since those who are able to make most of it will likewise be induced to offer the highest price. But the present great proprietors, the absentees especially, feel that they are not the persons who can fulfil that condition: they must be swept away should such be imposed, and with them the gains of the numerous local agents and dependants who fatten on the spoils of their mismanagement, together with the monopoly now enjoyed by their London and Liverpool creditors, to whom alone, or at whose bidding, they must sell what they produce, and from whom in like manner they must purchase all they want. This raises against the needful reform an important section of the proprietary interest, local practitioners, and British traders; blinding them, and all who reflect their opinions, to the necessity of what alone can lead to the establishment of prosperity. Under the old system, large profits were sometimes compatible with mismanagement, while skilled and economical production was impossible. In the enhanced price of sugar and the other staple products of the island—which enjoyed a monopoly in the market of the richest country in the world—and in the command over labour conferred by the institution of slavery, a wide margin for waste was allowed to planters before their remuneration could sink below average profits;

and while such was the case, it was possible for a plantation to bear the cost of the absentee's attornies and agents,—the gains of his monopolist customers and dealers when he happened to have creditors who assumed that position,—and, worst of all, perhaps, the want of the master's eye; yet leave something over and above for the proprietor. There was little stimulus afforded to cheap and skilful production when profits could be made without the exercise of that toil and self-denial which are usually an indispensable condition to their attainment, but were here dispensed with by slavery and protection. And even had the planter a desire to adopt a better system, he could hardly have found instruments to carry it out amongst the idle and reckless free population, and degraded serfs who surrounded him. Thus not only were profits attainable under mismanagement, but competition with skilled production was practically excluded. When slavery and monopoly ceased, however, matters were reversed. Nothing could be made under the old system, and it became possible to practice a new one. Not alone was the former margin for waste cut off, but the disadvantages of non-resident ownership were rendered yet greater in another point of view. When business can be reduced to a mere routine, the absence of the head of the house on most occasions is not very detrimental. A visit or so at distant intervals, combined with his knowledge that in a state of affairs almost stationary the thing which has been is that which shall be, enables him to check pretty well his underlings and make sure they do their duty. While slavery dispensed with changes from time to time in the price of labour, and absence of competition with producers of other countries obviated the necessity of watching and adopting the successive improvements introduced in the processes and machinery employed in production, the planter's business presented an unvarying aspect, and could be superintended with tolerable efficiency by an absent owner. All this disappeared with slavery and monopoly. And to increase the result of this change, while the disadvantages of the absentee augment, his local rivals acquire not merely relative but absolute advancement, owing to production being rendered possible with the small amount of capital such usually possess, instead of being confined as previously to those who could command a much greater quantity than falls to the lot of any one not rich enough to forego the inconvenience of residing permanently in a tropical climate. To purchase once for all a drove of slaves and prepare accommodation for them, and support them until the crop comes round, requires a far greater command of ready money than suffices to hire so many men from time to time according as they are wanted. Under slavery, the former was alone practicable; in a state of freedom, the latter; and so the absent millionaire was deprived of the monopoly in labour he had before enjoyed against the small capitalist. Thus we see how it stands at present between the absentee interest and that exclusively local, the latter having decidedly the advantage. Those belonging to it can evidently make most of the land, and to their hands it must come whenever it is rendered easily transferable. This conclusion is unwelcome to the absentee interest. It indicates that non-resident proprietors and those depending on them must fall to the ground, if they do not settle on

their properties. But they have naturally a strong disinclination to reside there either temporarily or permanently. The risk of death to Europeans going to Jamaica is considerable; the unhealthiness of the climate being very great. In the tables of the Colonial Life Assurance company, Jamaica stands in class D, which comprises the countries most fatal to the inhabitants of the United Kingdom. A European of 20 in Jamaica pays as high a premium as a man of 45 at home; and he is charged higher again if he have not resided at least four years in some tropical climate. For his first year's residence he pays, at 20, what one at 57 is charged at home; for the second as much as one aged 54; for the third, 51; and for the fourth, 49.* And at other ages the proportion is much the same. So by going to Jamaica and living there, the European seems to cut off a large portion of his existence, and is thus exposed to the unpleasant alternative of losing property he hoped by some strange possibility might one day become profitable, or of taking a step which involves so great risk of cutting him off prematurely. Hence it is laboured strenuously to demonstrate that absenteeism is not injurious to Jamaica, and that no measure need be promoted whose indirect effect must be to put a stop to it. Were an absentee a mere usufructuary, his presence here or there, it is true, is not a matter of that vital importance so many are apt to imagine. But when he is the head of an agricultural or manufacturing establishment the matter is different. It is not merely the case of a recipient of a portion of the produce of the country choosing to consume it abroad rather than at home, we have to consider; but we have to deplore the want of that superintending interest, care, and vigilance embodied by a popular proverb in the master's eye. It is certain production under such circumstances cannot be profitable, and that until the system be altered, prosperity can neither return or be achieved.

The moral effects of a country being under the influence of those unconnected with the locality by family ties is most detrimental. When such a class predominates, its members degrade the community, and lower its moral tone by their own bad example, and it is highly improbable their effects should be directed towards promoting education among the people. If to become rich enough to be able to leave the country and live elsewhere is the great object which attracts thither officials and proprietors, then must we expect the leading members of the community to be in that unsettled state just described, and shewn to be so unfavourable to the moral welfare of the nation. This was the way formerly in Jamaica, but its discontinuance may be looked for when power and property come to the hands of the permanent inhabitants. Such is the tendency of events at present, and we may confidently anticipate the affairs of the island will be soon under the control of those whose interests shall be bound up with its lasting welfare, instead of the mere birds of passage who hitherto commanded the destinies of the place, solely desirous of

* See the Tables of the Colonial Life Assurance Company. Also a paper by Dr. Hancock (Journal of the Dublin Statistical Society, Part iii, July, 1855, p. 117.)
"On the excessive mortality of British residents in India, as affecting a choice of the Civil Service of the East India Company as a career for young men."

extracting as much wealth as they could in a short space of time, and regardless of the condition of those they were so soon to leave behind them. This prospect alarms some, and makes them fear a restoration of barbarism will follow the permanent withdrawal of the casual European visitors. No such consequence, I believe, need be dreaded. The mulatto population are remarkably intelligent, and occupy principally the learned professions at the present day. There is also a pretty fair sprinkling of acclimated Europeans. And the blacks themselves seem quite capable of rising in the scale of civilization if their educational interests be properly attended to. The Governor, sent from amongst the highest grade of society at home, and those who accompany him and compose his viceregal court, will maintain a good tone in the better classes in the island who come to the capital; and these in their turn will keep up the forms and ceremonies of civilized life amidst their own circle of acquaintances in the different localities they belong to. It is probable also that while the elements of education will be liberally imparted on such a scale as suffices for the general body of the people, the higher classes will send their offspring to Europe for a few years, to receive that superior order of instruction which can rarely be attained except in an old and long civilized country. The future of Jamaica does not appear to me at all disheartening. There is no danger of its relapsing into barbarism. It has been the fashion with some to deny the negro the possession of every good and useful quality, while the friends of his race have perhaps excelled his enemies in absurdity by the length they go in his favour. Without adopting either theory, we may safely take an intermediate position, and rest satisfied that living under a good government, subject to suitable laws, and, in fine, enjoying those advantages without which even whites have fallen into the utmost misery, the black has all the elements in him to form an efficient labouring and peasant population. The more intelligent of his brethren, the mixed races and acclimated Europeans, have all the requisites for supplying an energetic and independent middle and upper class—suited to sustain the material interests of the island. And the trading and political intercourse with the parent state will doubtless prevent the inhabitants from lagging behind the rest of the world in the higher departments of civilization. Such a prospect is that now in view, and no rational being can have any reason to find fault with it. It is far more cheering, at all events, than the late course of hopeless insolvency and the old career of gambling prosperity—great fortunes amassed one day and lost the next—and purchased, such as it was, by an amount of wickedness and oppression which it is fearful to contemplate.

APPENDIX A.—INFORMATION FURNISHED TO THE COUNCIL OF THE DUBLIN STATISTICAL SOCIETY BY MESSRS. DENDY, GAY, CLARK, AND MILLARD, RELATIVE TO THE CONDITION OF THE LABOURER AND STATE OF LANDED PROPERTY IN JAMAICA.*

Letter from Messrs. Dendy, Gay, Clark, and Millard to Dr. Hancock.

Falmouth, June 16, 1853.

Dear Sir,

In reply to your inquiries respecting Jamaica, intrusted to the Rev. Robert Gay, we send the accompanying documents. The answers to the legal questions are prepared by Charles Harvey, Esq. of Spanish Town, solicitor, and the compiler of a work entitled the "Political Constitution of Jamaica, including the Judicial and Ecclesiastical Establishments of that Colony, and its annual laws in force in 1844," published by Gilbert, Piper, and Sherwood, London, and to which book we beg to direct your attention for information respecting the laws and practice of the courts of Jamaica. The replies to the other questions we have endeavoured to give to the best of our ability; but persons residing at a distance can scarcely understand the difficulties of obtaining information. Our postal arrangements are not good, and expensive, too; single rates being charged four-pence, six-pence, eight-pence, and a shilling, according to distance, and there is no public conveyance to our knowledge, excepting a short line of railway between Kingston and Spanish Town, a distance of twelve or thirteen miles.

At the present time the island is thrown into considerable confusion, in consequence of the loss of some revenue bills in the Council. The House of Assembly will not pass revenue bills without what are considered very objectionable appropriation clauses by the Council; the consequence is that the police are left without any guarantee of payment, and many prisoners who were confined in the common jails have been set at large by the executive, as no provision is made for their support. In consequence of the loss of import duties, merchants are now exporting their goods in bond to foreign ports, to be reshipped to Jamaica, that they may enter duty free; as the customs will not deliver them for home consumption without the payment of such duties as were in force at the time the goods were bonded. It must be apparent to every intelligent statesman, that the loose legislation of late years, the uncertainty of tariffs, and the derangements of the island-securities must injure the country to a very considerable extent. Official servants of the island cannot obtain their salaries. Those who have invested monies in the Savings' Bank cannot either draw out principal or interest, and confidence in the island institutions is declining.

It is our opinion that Chinese immigration, like every other such scheme that has been introduced, will prove a failure and prove a costly experiment to the planters.

The island is evidently suffering from the want of confidence in

* See page 239.

all classes ; capitalists have but little in the government, nor the working classes in those who employ them. We want capital, skill, and enterprize, with men of principle to carry on the cultivation of the soil, and the economical management of our political interests. The natural resources of the island are great, the harbours and bays are numerous and safe, and have geographical position such as ought to make her one of the finest islands in the world, if proper measures were taken to advance her in civilization, intelligence and skill.

We have not been able to collect all the information which we wish to do, but will endeavour to forward other documents as soon as we can, and hope we shall have the valuable aid of your society in bringing before the public generally, and men of capital and enterprize particularly, the real state of Jamaica.

Our desire is that government may be placed on a good basis, and that men of capital may be induced to vest their money in such a manner as shall be remunerative to themselves, and provide regular employment and regular payments for a large number of labourers who at present have to depend for subsistence upon their own rude cultivation of small plots of land, preferring to reap the profits (however small) of their own individual labour, than to work on some estates where they will be ill-paid or uncertainly paid, or perhaps not paid at all, besides being subject to harsh control.

We send, first, answers in detail as accurate as we can obtain, together with supplementary tables ; the first containing a tabular view of the different parishes, the extent of population, rate of wages, &c. ; the second shewing the expense of immigration as near as we can obtain it ; the third on conveyancing and general business ; and the fourth on education.

Hoping the various documents may assist the inquiries of your valuable Society,

We remain, dear sir,

Your obedient servants,

WALTER DENDY,

ROBERT GAY,

JOHN CLARK,

BENJAMIN MILLARD.

William Neilson Hancock, Esq. LL.D.

NOTES ON THE CONDITION OF THE LABOURER AND STATE OF LANDED PROPERTY, FORWARDED WITH THE PRECEEDING LETTERS.

Condition of the Labourer.

For first-class day labour, wages average one shilling ; second class nine-pence ; third class, six-pence. Carpenters, masons, &c. get from one-and-six-pence to two-and-six-pence per diem. In crop time, and on some rare occasions, the labourer may realize one shilling and three-pence. See *Table 1*.

Ground provisions, such as yams, cocoas, &c. pay no duty, and vary in price from six to sixteen shillings per cwt. American flour, inclusive of eight shillings duty, sells at from forty to forty-six

shillings per barrel of 196 lbs. and is baked and retailed at three-pence per lb. Salt pork and beef are retailed at from nine-pence to one shilling per lb. and pay a duty of twenty shillings per barrel of 200 lbs. weight. Fish, dried or salted, two shillings per cwt.; mackerel, per barrel, four shillings; butter, per cwt. nine shillings; cheese, per cwt. ten shillings; and rice, per cwt. three shillings.*

Where labourers have not land of their own, the common practice is to rent say one or two acres, and to build upon it a temporary cottage about twelve feet wide by twenty in length, with wattled sides, and roof thatched with grass. Rent sixteen to fifty-two shillings per acre without lease, and liable to be turned off at very short notice on the non-payment of rent. The negro houses on the old estates and villages have in many cases fallen to decay, and are of no value. A very large proportion of the people, nearly one half, have allotments, varying in size, which are their own by *bona fide* purchase, secured to them by legal conveyances, which in many cases are recorded in the Secretary's Office. Upon these allotments many of them have built houses of wood and stone, with shingled roofs.

Those who remain on the old estates have, with some exceptions, to pay one shilling per week for their dwelling, and six pence or one shilling for their provision ground. The rent is generally deducted from their wages. Many also who possess freeholds rent from one to four acres of land for the cultivation of provisions, for which they pay from twenty to fifty shillings per annum. For want of exact agreements, disputes often arise, tenants are ejected, and their growing provisions are destroyed.

The extent to which negroes have legally acquired land in Jamaica is for statistical inquiry. Assuming the black population as 300,000 in number, their ownership of land may be roughly estimated at a similar number of acres; purchases have been chiefly made by individuals; in many instances by speculators, but for purposes of resale.

The prices of land since freedom have varied according to circumstances and locality. In productive and populous districts surrounding village settlements, and in the vicinity of towns of export, land may in a few instances have fetched prices as high as £50 to £60 per acre. The lowest rates are from 20s. to £3 sterling per acre. The lower are average rates as to the great majority of purchases.

Existing provisions for popular education are scanty. The House of Assembly and parish vestries have made occasional grants for educational purposes, but dissenters generally have declined them. As for the education and mental training of adults, the resources at hand are yet more deficient, especially as regards the colored inhabitants. There are about two or three literary institutions of which these latter are members.

* These duties have since been modified, *ante*, p. 241.

State of Landed Property.

The titles to land in Jamaica are secured by enrolment in a public office of registry, called the Secretary's Office, wherein all deeds are required to be recorded for public information, as evidence of purchaser's right, and for his safety against subsequent incumbrances or fraudulent sales by his vendor.

There is a registry of deeds in the Secretary's Office. The originals are first proved before a judge (or acknowledged by the party in a similar form), and then recorded of their date of entry, the public thereby having notice thereof. A receipt is given for each deed on delivery. The deeds are copied immediately into books kept for that purpose, carefully examined and sworn to. After three months from delivery into office, the party holding the receipt is entitled to claim the original deed, which is accordingly delivered to him. The deed or the book wherein the transcript is preserved are equally receivable in evidence.

By an act 21 Geo. III. c. 23, all original deeds lodged in the office, and not reclaimed within 20 years, may be destroyed by the secretary; the books are then the only record.

It is not necessary to deduce sixty years' title as in England, nor forty as in Scotland. The statutory law of Jamaica is 20 years of adverse possession, without title even against the crown, and seven years on possession by title; *saving* rights of parties under legal incapacity, until three or five years after disability removed,

The costs of titles are arbitrary, and not necessarily varied by quantity or locality; one, or ten thousand, or any number of acres may be included in one deed, parties of course taking all risk of ancillary investigation as to incumbrances and dormant rights.

The taxable costs on transfers of property are on a graduated scale of stamp duties, increasing from five shillings *ad valorem* upwards. The ancillary investigation is the chief expense, *save* to purchasers who choose to avoid that precautionary inquiry, at the risk of future forfeiture or loss.

The tenure of lands under lease in Jamaica must be inconsiderable as compared with allodial occupancies by purchase, or of squatting.* It may, however, go to increase on a wider knowledge of the fact that allodial titles give no real advantage over leasehold tenure, as to political franchise. Practically, tenure by leasehold is preferable; the lessor, if properly selected, being to see to the security of title, without charge to the lessee beyond his payment of rent.

The average size of leasehold farms, as to negroes, may be computed at five acres—say from three to ten acres each. Duration—on monthly tenure—on monthly notice, seldom exceeding three years. Leases above three years must be recorded in the Secretary's Office, to protect lessee from subsequent claims, and purchasers.

The usual leasing powers are as in England, but now simplified by a local act, 13 Vic. c. 22, a transcript of an imperial act in the previous year introduced in England by Lord Brougham. Practically

* The practice of squatting or occupying land with hereditary or personal right is so rare that it does not deserve mentioning.

this act is not much known. It may gradually work itself into usefulness.

The extent of waste land in Jamaica may amount to half a million acres; possibly a million, one-fourth of its territorial surface. This opinion, however, is conjectural, on a comparison of extent and population. No improvements take place on waste land, beyond the casual clearance of timbers and vegetation by the nomadic population.

The whole tenure of land in Jamaica is allodial, or by title in fee simple, holding only from the crown, subject to a land tax of one penny per acre; of necessity also subject to settlements and mortgages, or encumbrances, or judgment by voluntary creation, or by process of law.

The public records can alone shew the proportion of land under family settlement.

Four-fifths of the land may or not be encumbered by claims of mortgages, or by creditors on judgment; as to this, the public records are the only safe test.

The court of Chancery in Jamaica, an independent jurisdiction, has similar local powers to the Court of Chancery in England, and can and does appoint receivers of encumbered estates.

The quantity of land in receiverships, although matter of record, can only be conjectured. Most Chancery estates, so called, are in ruinate, or else abandoned to the receiver by reason of the costs of litigation and management. They are now being gradually, silently reclaimed, under the salutary provisions of a local act, 15 Vic. c. 16, to diminish the delay and expense of proceedings of the high court of Chancery of this island—nearly a transcript of the act as to Chancery reform in Ireland of the previous session. The Irish rules applicable to it, published in Dublin, are now in force, and applicable to the act of this island.

Owners of land are not exempt now, nor are any classes exempt from the operation of the law as to insolvents; the mere fiat, or the declaration of insolvency brings all within the scope and power of the official assignee for distribution among creditors, subject (only in cases of difficulty as to law) to the controlling powers of the court of equity or law.

The court of Chancery in Jamaica, as in England and Ireland, may sell estates for the payment of debts.

The jurisdiction in Chancery, as heretofore in England, extended merely over the person or *ad personam*, to compel personal obedience to its decrees by force of process of attachment, continued receivership, or sequestration. The parliamentary powers of absolute sale are now being partially enforced under the local 15 Vic. c. 16, and will in all probability be more stringently adopted in this island as soon as a precedent is furnished by the imperial statute book.

Under a public compact made with the imperial government, 1708, (subsequently confirmed in the present reign) the common and statute law of England as then in force was recognised in this colony, and is still continued as law, subject to such modifications as have been since introduced by the course of local legislation, or by the decision of the court of justice. The rule of construction

still adhered to as to right and property, and in all cases, is by interpretation of the imperial acts anterior to 1708, explained and amended by English decisions, and by subsequent local legislation. The local courts are severally regulated by the English reports in Chancery, and of King's Bench, where not controlled by statutory law.

There is a local stamp duty in Jamaica on the model of the English act. It produces about £3,000 or £4,000 of revenue to the general exigencies of the colony. There are also public fees appropriate towards salaries of the judges and officers of the courts. Their pressure is not observable. The revenue of stamps may, without injury to substantial rights, afford more scope for increase with the progressive improvements of property.

PRINCIPAL CAUSES OF PRESENT DEPRESSED STATE OF THE ISLAND.

I. Estates encumbered with debt. Release from mortgages would enable the planter to send his produce to any market, by any ship, to any agent he may think fit, and agencies and commissions would then be much reduced.

II. Want of capital, skill, and enterprise; estates frequently come into the hands of persons who have not the means of carrying them on efficiently.

III. An absentee proprietary, and the non-introduction of recent improvements in agriculture, and the manufacture of sugar.

IV. Want of attention to the raising of minor products for home consumption.

V. The indifference of the upper classes generally to the education of the lower classes, and the bad influence exerted by many of the managers of estates on the ignorant and inexperienced around them by their living in concubinage; the offspring of such connexions, being neglected as to education and morals, are unfitted for situations of trust when they rise into manhood.

VI. The general indifference of the people to the education of their children, and a disposition to avail themselves of their earliest labours rather than entrust them to the care of the schoolmaster.

TABLE No. I.

Tabular view of the different parishes into which Jamaica is divided, their population, rate of wages and other particulars, taken from a return by the Board of Health.

Parishes.	Extent or Area.	Towns.	Population Estimated.	Estimated loss of life from cholera in 1850-1.	Number of Sugar Estates and Penns.	Number of Coffee Properties.	Rates of Wages.	Registered Paupers.	Observations.
Kingston --	Five miles length of coast, breadth one mile north and south		35 to 40,000	3,500				450	
St. Andrews	240 sq. miles		20,000	2,000	7 working, 11 thrown up		9d. per diem	147	
St. Catherine	93,058 sq. acres	Spanish Town, Morant Bay, and Bath	12,790	1,500 to 2,000	3		variable		
St. Thomas in the East	235 sq. miles		25,500	3,626	44	4	1s. per diem	60	
Manchioneal	56 sq. miles		4,800	70	9 arrow root estates	2	1s. 3d.		
St. Dorothy	56 sq. miles		5,365	352	9. Several Penns.		1s. 9d. & 6d.	25	
St. David --	74 sq. miles	Yallahs	6,000	800	5. 5 Penns	26	1s. per diem	54	
Vere --	314 sq. miles	Chapleton	17,000	780	25		9d. to 1s.	55	
Clarendon --				1,500	27.16 Penns		1s. per diem	*	* Number of paupers not given, but estimate of cost £500 per annum.
St. Ann's --	3824 sq. miles	St. Ann's Bay	25,823	1,021	14		do.		
St. George --	80 sq. miles	Charles Town	9,000	730	7*		do.		
St. Mary --	18 sq. miles	Buff Bay	13,800		19		do.		
Trelawney --	264 sq. miles	Port Maria	30,380	1,500 to 2,000	67		9d. and 1s. per diem		
		Falmouth		2,388			1s. per diem	220	* Only three of these estates are working.
St. James --	2274 sq. miles	Montego Bay	28,000	2,500	57.4 (Penns)		do.		
Hanover --	525 sq. miles	Lucca	25,000	1,300	54.10 (Penns)		do.	241	
Westmoreland	508 sq. miles	Savanna La-mar	30,000	1,500	44		do.		

TABLE No. 2.
Immigration from 1829 to 1849.

Year ending 30th September.	Premium or Bounty.			Townships.			Total.			Observations.
	£	s.	d.	£	s.	d.	£	s.	d.	
1829	291	0	0				291	0	0	
1830	330	18	0				330	18	0	
1831	576	8	3				576	8	3	
1832	379	6	7				379	6	7	
1833	75	0	0				75	0	0	
1834	892	1	1				892	1	1	
1835	8,439	0	0	3,367	4	0	12,106	4	0	
1836	9,504	0	0	3,477	19	6	12,981	19	6	
1837	3,367	4	0	4,174	14	3	7,541	18	3	
1838	1,317	13	6	1,753	10	3	3,071	3	9	
1839				3,748	3	1	3,748	3	1	
1840	7,301	4	0	3,174	12	11	10,475	16	11	
1841	17,997	9	10	1,374	19	5	19,282	9	3	
1842	35,661	11	9	686	6	7	36,347	18	4	
1843	8,667	8	0	514	16	7	9,182	4	7	
1844	10,804	4	6	185	0	4	10,989	4	10	
1845							11,145	12	9	
1846							28,331	10	10	
1847							45,507	17	8	
1848							5,067	11	4	
1849							445	10	10	
1850										

Numbers this year from St. Helena, 202; Sierra Leone, 339; Cuba, 4
 Do. Calcutta, 261; Canada, 270
 Do. India, 1851; Africa, 126; Emancipado, 163; Europe, 9
 Do. Cuba, 79; St. Helena, 337; India, 2439
 In addition to this sum, £2,069 *ss.* *sd.* were paid in this year, partly for Africans.
 In 1848, St. Helena, 480; Sierra Leone, 905; Cuba, 56
 Total, 545
 -- 531
 -- 2149
 -- 2855
 -- 1441

By a recent act some customs duties have been laid on, to assist in defraying the expense of introducing immigrants.

TABLE No. 3.

SUPREME COURT OF JUDICATURE.

Expenses of conveyancing and general business.—Schedule D.

	£	s.	d.
Receiving instructions to prepare any deeds	0	15	0
Drafts, deeds or cases, or other statements or abstracts of title per legal sheet	0	3	0
Fair copy	0	1	6
Engrossments	0	2	0
Perusing and considering drafts of deeds submitted for approval, including attendances, taking instruction, and on the opposite conveyances, per sheet	0	1	6
Perusing deed to ascertain the necessary stamps to be impressed	0	15	0
Attendances at Receiver General's and Stamp Offices to procure stamps to be impressed on any deed or instrument, each	0	7	6
Attendance at Secretary's Office to record deeds or other papers	0	7	6
Searches in Secretary's Office in common	0	7	6
If for an hour or more, per hour	0	15	0
Making ordinary docket	0	7	6
If more than a sheet, for each additional sheet	0	2	6
Writing letters not exceeding two sides	0	6	8
Each additional side	0	3	4
Journeys and attendances if required, including travelling expenses at the rate of £3 per day, and 8s. per mile			
Journeys to or from Kingston or Spanish Town on special business	3	0	0

Harvey's Constitution, p. 20.

TABLE No. 4.

Educational returns made a short time before the cholera visited the island in 1850.

Schools Daily.	No. of Schools.	No. of Scholars	Schools Sunday.	No. of Schools.	No. of Scholars
Baptists	51	3,909		61	11,336
Wesleyans	46	3,045		37	3,397
Presbyterians	38	2,925		26	5,015
Moravians	18	1,490		21	2,400
London Missionary Society	15	905		19	2,000
Church of England	34	2,245		44	4,400
Free or Charity	9	1,200			
American Congregation- alists	50	1,283			
Private Schools	126	3,245			
Association Methodists, Native Baptist, Catho- lics, Free Church, &c.		1,283	Association Methodists, Native Baptists, Ame- rican Congregationalists, Free Church, &c.	14	1,452
Total,	387	21,530	Total,	222	30,000

APPENDIX B.

RATE OF WAGES IN JAMAICA.*

Abstracted, with the exception of the last column, from the half-yearly reports of the stipendiary magistrates, published in "Papers relative to the affairs of the Island of Jamaica; presented to both Houses of Parliament, August 10th, 1854." These reports extend to sixteen of the twenty-two parishes into which the island is divided, and were drawn up in the beginning of 1854.

No.	Districts.	Magistrates.	Trade Wages.	Agricultural Wages.	Observations of Magistrates.	Wages as returned by the Missionaries.
1	Portland --	Mr. Hill	--	9d. to 1s.	People willing to work <i>if sure of being paid</i> . At the newly formed copper mines, earnings 1s. 6d. a day.	--
2	St. David --	Mr. Fyfe	--	1s. to 1s. 6d.	--	1s.
3	Port Royal --	Mr. Kent	--	9d. to 1s.	--	9d.
4	St. Andrew --	Mr. Ewart	1s. 6d. to 3s.	1s.	--	--
5	Kingston --	Messrs. Willis and Price	6d. to 3s.	--	Day's work from five to seven hours. Wages of women, 9d. a day. Domestic earn from 3s. to 10s. a week. People unwilling to work and getting worse. (N.B.—Wages in the report are stated to be for mechanics, "per diem, from 6d. to 3s. a week." The last word is introduced probably by mistake. The report is very brief, and drawn up apparently in a hurry.)	--
6	St. Catherine & St. John	Mr. Hill	--	9d. to 1s. 6d.	--	variable
7	St. Dorothy	Mr. Ball	1s. 6d.	1s.	Labourers increase their wages by stealing what they can from their employers.	6d. to 1s. 9d.
8	St. Thomas in the Vale	Mr. Jackson	--	1s.	More done for a day's work now than formerly. Supply of labour ample if proper means taken to secure it.	1s.
9	St. Mary --	Mr. Davis	--	1s.	Day's work but three or four hours. People set themselves against task work. No confidence between employers and men.	1s.
10	St. Ann --	Mr. Dillon	--	9d. to 1s. 6d.	Production of sugar paid for by the job, and yields more per day than 1s. 6d. Labour scarce, but seems efficient as far as it goes.	1s.
11	Clarendon --	Mr. Crewe	--	--	(In this report no particulars given.)	1s.
12	Manchester --	Mr. Laidlaw	--	9d. to 1s.	People prefer working the shortest time for which they can get 9d. or 1s.	--
13	St. Elizabeth	Mr. Rumbold	--	9d. to 1s.	They earn from 1s. 6d. to 2s. if they work for eight hours in the day.	--
14	Trelawney --	Mr. Kelly	--	1s. 6d. to 2s	Work lasts for nine hours a day. At crop time from 1s. 6d. to 2s. 6d. a day earned by the job.	9d. to 1s.
15	St. James --	Mr. Emery	--	1s.	The maximum paid for a day's labour is 1s.	1s.
16	Westmoreland	Mr. Chamberlaine	--	9d. to 1s. 6d.	By task work 1s. can be earned by ten or eleven in the morning. (That is, probably, in about four hours.)	--
		Mr. Cocking	--	1s. to 2s.	Women earn from 1s. to 1s. 6d. per diem.	1s.

* See p. 242.

IV.—*Sir Robert Peel's Bank Act of 1844 explained and defended.*—
By W. Neilson Hancock, LL.D.

[Read December 17th, 1855.]

THERE are few acts of parliament more important in themselves, or which have given rise to more discussion, than Sir Robert Peel's celebrated Bank Act of 1844 (7 and 8 Victoria, cap. 32). I am anxious to take an opportunity of expressing my strong opinion in favour of the provisions of that act, and to explain at the same time the scientific grounds on which that opinion rests.

The object of the act was to regulate the issue of bank notes. Its chief provisions are—First, That no new bank of issue was to be created after 1844. Secondly, All banks of issue then in operation, besides the Bank of England, were absolutely prohibited against issuing beyond a fixed amount ascertained under the act. Thirdly, That the issue department of the Bank of England should be separated from the banking department. Fourthly, The issue of Bank of England notes should be regulated by requiring all notes issued beyond £14,000,000 to be issued in exchange for gold.

Now, in order to explain the effect of these provisions, and the policy on which they are founded, it will be necessary to state the scientific method of measuring the effect of any given issue, and then to apply this method to explain the facts that have been observed with respect to the Bank of England from before the Bank Restriction Act of 1797, to the enactment of Sir Robert Peel's measure in 1844. For this purpose, I have constructed a table which I will now proceed to explain.*

The principle on which this table is constructed, is the distinction between the total issue of bank notes and the portion of that issue which is really effective on prices.

The total issue of Bank of England notes for fifty-one years, from 1793 until 1843, is given in millions in column No. 4, as stated in Mc Culloch's Commercial Dictionary; the total amount of bullion in column No. 5, as stated in the same authority; and these are the figures commonly used in discussions on the currency.

It is plain, however, that the entire issue of a bank does not act upon prices, but that portion only against which no bullion is held. Let us take the case when a bank is first started in any country. Suppose the whole circulation of gold and silver in the hands of bankers, merchants, shopkeepers, and all other classes, whether hoarded or not, to be £50,000,000, and suppose a bank to issue £9,000,000 of notes in exchange for gold; if all the gold, as in the case of the old Bank of Amsterdam, was kept in the bank, such an issue would have no effect upon the quantity of gold and silver, or upon the circulation, and consequently would have no effect upon prices. If the bank proceeded, as the Bank of England does, to lend out the gold which it received in exchange for notes, to the extent say of two thirds, or £6,000,000, the effect of such loans

* See Table on next page.

Years.	Currency average depreci- ation. (1)	BANK OF ENGLAND.				
		Effective issue. (2)	Bullion held against issue. (3)	Total issue. (4)	Total Bullion. (5)	Bullion against Deposits. (6)
February.	Per cent.	Millions.	Millions.	Millions.	Millions.	Millions.
1793	—	9.5	2.3	11.8	4.0	1.7
1794	—	6.4	4.3	10.7	6.9	2.6
1795	—	9.8	4.2	14.0	6.1	1.9
1796	—	10.1	.6	10.7	2.5	1.9
* 1797	—	9.6	.0	9.6	1.0	1.6
1798	—	9.2	3.8	13.0	5.8	2.0
1799	—	8.1	4.8	12.9	7.5	2.7
1800	0	13.0	3.8	16.8	6.1	2.3
1801	8	15.1	1.1	16.2	4.6	3.5
1802	7	13.2	1.9	15.1	4.1	2.2
1803	2	14.2	1.1	15.3	3.7	2.6
1804	2	16.5	.5	17.0	3.3	2.8
1805	2	16.0	1.8	17.8	5.8	4.0
1806	2	15.1	2.9	17.7	5.9	3.0
1807	2	14.7	2.2	16.9	6.1	3.9
1808	2	14.2	3.9	18.1	7.8	3.9
1809	2	17.4	1.1	18.5	4.4	3.3
1810	13	21.0	.0	21.0	3.5	4.1
1811	7	23.3	.0	23.3	3.3	3.8
1812	20	23.4	.0	23.4	2.9	3.8
1813	22	23.2	.0	23.2	2.8	3.7
† 1814	25	24.8	.0	24.8	2.2	4.1
1815	16	27.2	.0	27.2	2.0	3.9
1816	16	26.5	.5	27.0	4.6	4.1
1817	2	21.3	6.0	27.3	9.6	3.6
1818	2	21.6	6.1	27.7	10.0	3.9
1819	4	23.1	2.0	25.1	4.1	2.1
1820	2	19.8	3.6	23.4	4.9	1.3
†† 1821	0	13.8	10.0	23.8	11.8	1.8
1822	—	9.1	9.5	18.6	11.0	1.5
1823	—	10.3	8.0	18.3	10.3	2.3
1824	—	9.2	10.5	19.7	13.8	3.3
** 1825	—	15.5	5.4	20.7	8.7	3.3
** 1826	—	25.3	.1	25.4	2.4	2.3
1827	—	14.3	7.5	21.8	10.1	2.6
1828	—	14.6	7.3	21.9	10.3	3.0
1829	—	16.1	3.7	19.8	6.8	3.1
1830	—	13.4	5.6	20.0	9.1	3.5
1831	—	15.1	4.5	19.6	8.2	3.7
1832	—	15.7	2.3	18.0	5.2	2.9
1833	—	13.2	6.1	19.3	10.2	4.1
1834	—	14.1	4.9	19.0	9.2	4.3
1835	—	15.6	2.9	18.5	6.2	3.3
1836	—	15.0	3.1	18.1	7.7	4.6
** 1837	—	17.4	.7	18.1	4.0	3.3
1838	—	12.1	6.8	18.9	10.4	3.6
1839	—	12.8	5.2	18.0	6.7	1.5
** 1839 Aug	—	17.6	.3	17.9	2.4	2.1
1840	—	14.3	2.2	16.5	4.3	2.1
1841	—	14.1	2.2	16.3	4.3	2.1
1842	—	13.5	3.4	16.9	6.1	2.7
1843	—	13.0	7.2	20.2	11.0	3.8

* Bank Restriction Act, 1797.

† Failure of Private Banks, 1814-16.

†† Cash payments recommenced in May, 1821.

** Commercial crises occurred in 1825-26, 1837, 1839.

would be to increase the circulation by that amount; the notes having supplied the place of the gold received by the bank, the gold now issued would be an increase to the circulation. This increase would cause a local fall in the value of gold, and a local rise of prices; as the notes could not be exported, the gold would be exported, and the circulation would permanently settle down at its original amount, only there would be in all £6,000,000 less of gold and silver in the country. In short, a very slight consideration of the matter will satisfy any one who thinks of the subject, that it is only those notes for which no gold is held by the bank that really displace gold or really act upon prices, and it is that portion of the issue that I propose to call the *effective* issue.

If the Bank of England had held no deposits from 1793 till 1843, the effective issue might be calculated at once, by deducting the total bullion (column No. 5) from the total issue (column No. 4). But the bank held large deposits, varying from £4,000,000 to £13,000,000, during that time; to meet which they should, according to sound banking principles, have held bullion to the extent of one third the amount of the deposits.

As there was no separation of the banking and issue departments of the bank, we have no return of how much of the bullion was held to meet deposits, and how much was held to meet issue.

In order to calculate the effective issue of the Bank of England under such circumstances, I have resorted to a very simple hypothesis. I have taken one third of the deposits, as stated by Mr. McCulloch, and set this amount out (column 6) as the amount of bullion that was held, or that ought to have been held, by the bank to meet deposits; where the total bullion in the bank exceeded this amount, I have set out the excess (in column 3) as the quantity of bullion held against the issue.

Then, by deducting this part of the bullion (column 3) from the total issue (column 4), I have calculated the effective issue (set out in column 2).

Having thus explained the principle on which the table is constructed, I proceed to notice the conclusions indicated by the table:—

The first conclusion indicated by the table is the extraordinary increase of the effective issue of the Bank of England during nearly the entire period of the operation of the Bank Restriction Act. That act was passed in 1797, and continued in force until the restoration of cash payments, adopted by the bank in 1821, under Sir Robert Peel's act of 1819.

From 1793 until 1799, the effective issue of the Bank of England ranged from £6,000,000 to £10,000,000, and was on an average about £9,000,000; from 1800 until 1808, the effective issue ranged from £13,000,000 to £16,000,000, and was, on an average, about £14,500,000, being an increase of 50 per cent.; from 1809 until 1816, the effective issue ranged from £17,000,000 to 27,000,000, and averaged about £23,500,000, being an increase of 60 per cent. From the minimum of £6,000,000 in 1794, to the maximum of £27,000,000 in 1814, there was an increase of 350 per cent.; from 1817 until 1820, the effective issue ranged from £19,000,000 to

£23,000,000, and gave an average of £21,000,000, showing a fall of 10 per cent.; from the restoration of cash payments in 1821 until 1843, the effective issue ranged from £9,000,000 to £25,000,000, and the average was about £14,000,000, being a fall of 33 per cent.

The small quantity of gold held by the bank is no less remarkable, as will be at once perceived by comparing column 3 with column 2.

There is one column (No. 1) of the table which I have not hitherto explained; it is the average depreciation of the currency during the Bank Restriction Act, as stated by Mr. McCulloch in his *Commercial Dictionary*. This is calculated from the price of gold as estimated in paper currency. Its price, which with a gold standard could not change, rose from £3 17s. 10½d. per ounce, to £5 4s. per ounce. The connection between the depreciation of the currency and the state of the issue of the banks is so completely established by the report of the Gold Bullion Committee of 1810, and which may be taken as a model of the application of scientific principles to a question of statesmanship; and by Mr. Huskisson in his celebrated pamphlet, "*The Question Stated*," that I will not enter into any argument in favour of one of the best established truths of economic science. A comparison of the column of depreciation of the currency (No. 1) with that of the effective issue (No. 2), illustrates the coincidences which we would expect to find of an increase of the depreciation consequent on an increase of the effective issue.

There are, however, some apparent anomalies in the fluctuations of depreciation, which this table does not enable us to explain. For a complete account of the depreciation of the currency during the Bank Restriction Act, we ought to have the effective issue of the country banks as well as that of the bank of England, so as to have the total effective issue in England. We ought also to have some estimate of the gold and silver used as money. Unfortunately we have no accurate statistics except what relates to the Bank of England.

There can, however, be no doubt that the number of the country banks and the total amount of their issue increased in a remarkable manner during the Bank Restriction Act. The Gold Bullion Committee estimate an increase of £3,000,000 in one year, 1809-10, as great as the Bank of England in the same year. It is equally certain that the issue of one pound notes by both the Bank of England and the country banks, after 1797, drove gold out of the country. It is also well known that it was the destruction of the country bank paper and the purchase of gold by the Bank of England in 1817 that reduced the total amount of the currency, and nearly put an end to the depreciation. The state of the country circulation is thus noticed by M'Culloch:—

"At the period when the restriction of cash payments took place in 1797 it is supposed that there were about 280 country banks in existence; but so rapidly were these establishments multiplied, that they amounted to above 900 in 1813. Prices sustained a heavy fall in the latter part of 1813 and the beginning of 1814; and this fall having ruined a considerable number of farmers, and produced a

general want of confidence, such a destruction of provincial paper took place as has rarely been paralleled. In 1814, 1815, and 1816, no fewer than 240 country banks stopped payment; and eighty-nine commissions of bankruptcy were issued against these establishments, being at the rate of one commission against every ten and a half of the total number of banks existing in 1813."

M'Culloch then adds:—"The destruction of country bank paper in 1814, 1815, and 1816, by greatly reducing the total amount of the currency, raised its value in 1816 almost to a par with gold."

There is one remarkable circumstance with respect to the operations of the Bank Restriction Act, which I have not noticed as yet, but which is clearly indicated in the table I have given in page 262.

The columns of "Total Bullion" (No. 5) and of "Bullion held against issue" (No. 3) show the advantage the bank took of the Restriction Act relieving them of demand for their notes, to diminish the quantity of bullion in their coffers. In 1794 and 1795, after providing for their deposits, the bank had £4,000,000 of gold (column No. 3) to meet an average total issue of about £12,000,000; being one third of the total issue, or the proportion required for prudent banking. But in the year 1801, when the issue had risen to £16,000,000, the bullion to meet it had fallen to £1,000,000; and in 1804, when the issue rose to £17,000,000, the bullion fell to half-a-million. Then from 1810 to 1815, when the issue was never less than £21,000,000, and rose as high as £27,000,000, there was not for six years a single sovereign in the bank beyond what was required to meet the deposits. On the contrary, the total bullion was a great deal less than a third of the deposits, as will be seen by comparing column 5 with column 6.

The effect of this state of affairs was, that as the security of the bank decreased, its profits increased, for the profits of a bank of issue depend on its *effective*, and not upon its *total* issue. The Bank Restriction Act of 1797 operated as a bounty on the over-issue of the bank, and the strongest inducement of private profit was held out to the bank to violate its trust to the public.

Thus the price of bank stock rose under the operations of the Act from £176 in January, 1796, to £274 in 1810.

The depreciation of the currency was finally terminated by Sir Robert Peel's Act of 1819, which repealed the Bank Restriction Act of 1797, and rendered the Bank of England, after a certain period, liable to pay notes in gold. The bank resumed cash payments in May, 1821; and to be enabled to do so, purchased gold to such an extent that there was £10,000,000 of bullion (column No. 3) to meet a total circulation of £23,000,000. The immediate effect of this measure was to contract the effective issue of the bank to about £14,000,000; a slight increase on what it had been in 1800, before the depreciation commenced, and one-half of what it was when the depreciation was at its height in 1814.

The Act of 1819 was intended to prevent over-issue by the Bank of England; and it has been perfectly successful in that respect, for, from 1821 till 1843, the effective issue of the Bank never rose above £18,000,000; except on one occasion in 1825-26, when the destruction of private bank paper created such a diminution of the total

circulation that there was an extraordinary demand for the Bank of England notes.

The quantity of bullion held by the bank during these 20 years contrasts most favourably with what was held during the previous 20 years under the Bank Restriction Act, as will be seen at once in column 3 (page 262).

It will be seen, however, from this column, that on three occasions the bullion in the bank did fall to a very low amount; namely, in 1825-26, 1837, and 1839. At these periods the convertibility of the bank notes was in serious danger; the amount of bullion against issue being only £100,000 in 1826 to provide for a circulation of £25,000,000; and being less than a million in 1837 and 1839, to provide for a circulation of over £17,000,000. No one can maintain that this was prudent management on the part of the bank, as trustees of the issue of notes for the public.

The crisis of 1825-26 was caused by the mismanagement of the private banks; between 1823 and 1825 they had doubled their circulation when they ought to have contracted it; the result was a failure of seventy banks and a panic which has scarcely ever had a parallel in England. This was followed by a very wise change in the law. For the benefit of the Bank of England, all other joint stock banks had been prohibited in 1708. In 1826 they were allowed to be established. In a recent article in a leading newspaper the public were much blamed for the folly of placing their deposits in the private bank of Paul, Strahan, and Co. But what shall we say for the legislation which, for upwards of a century, compelled the public to deposit either in the Bank of England where no interest was allowed and no accommodation afforded, or else in private banks? What shall we say for the statesmen who required three periods of universal bankruptcy, 1797, 1814, and 1825, to convince them of the folly of limiting banks to six partners, and of not allowing the only perfect remedy, large joint stock banks?

As the issue was in 1826 still intrusted to the banks, another measure was adopted to prevent their mismanagement having such an effect on the total circulation. The issue of all notes under five pounds was prohibited in England. This diminished the paper and increased the metallic portion of the circulation.

The crises of 1837 and 1839 showed that the arrangements with respect to the issue of bank notes were still incomplete. Too much discretion was given to the banks. The honor of discovering a remedy for these evils is due to the celebrated Mr. Samuel Jones Lloyd, an eminent banker, since raised to the peerage by the title of Lord Overstone. His views are contained in an able pamphlet entitled, "Thoughts on the Separation of the Departments of the Bank of England," which led to Sir Robert Peel's Bank Act of 1844.

He showed that the union of the duties of the bank directors, as issuers of notes and as discounters of bills and holders of deposits, caused confusion in reasoning and in action.

That the directors were likely in their confusion to sacrifice the public to their private interests.

He showed that they were not, therefore, likely to regulate their

issue so as to make the whole circulation of paper and coin vary as a pure metallic currency would vary.

He showed that the natural contraction, such as takes place in a metallic currency, was an effectual and the only effectual means of gradually checking and ultimately stopping a drain of gold.

He showed that a mixed currency of coin and paper could be as effectually protected against the effects of a drain of gold, by being so constructed as to vary in the same manner as a metallic currency would vary.

Such being the object to be attained, the means of effecting it can be readily explained in the language I have already adopted. To make the entire circulation of paper and coin vary as a metallic circulation would vary, it is only necessary to make *the effective issue of paper constant*.

In the Act of 1844, Lord Overstone's principle was completely applied to the issue of the Bank of England alone. In the case of all other banks of issue, it was the total and not the effective issue that was limited. The banks, too, were not required to publish the amount of their deposits, so that it is impossible even to calculate their effective issue from the bullion stated, as we do not know how much bullion is held to meet deposits, and how much against issue. It was assumed, however, that they would hold bullion to the extent of one-third their issue, as the provision for transferring their issue to the Bank of England allows its effective issue to be increased by only two-thirds of their total issue before the transfer.

In the case of the Bank of England, however, the issue department was separated from the banking department, and the effective issue fixed at £14,000,000. A great deal of nonsense has been written about this number, as if it were arbitrary. But it can be shown to be the correct amount by the simplest yet soundest calculation. If you refer to column 3, in the table in page 262, you will see that the average of the effective issue of the Bank of England, from 1827 till 1843, was as near as possible £14,000,000.

Those who wish to study the principles of the Bank Act of 1844 in greater detail, I must refer to Lord Overstone's pamphlet and Sir Robert Peel's speeches, 1844.

But I have, I think, stated enough to show that the Act of 1844, by limiting the total issue of country banks, and the effective issue of the Bank of England, brings into operation the most perfect safeguard now known against over-issue by the banks, and secures an early and regular contraction of the currency under a drain of gold, and thus adopts the only effectual means by which gold can be brought back.

I have shown further that this Act, and the Act of 1819, taken together, are the safeguards of our monetary system.

The opponents of the Act of 1844 chiefly rely on two arguments. The Act failed, they say, in 1847; and it is opposed to the principles of free trade.

The facts respecting the letter of Lord John Russell and Sir Charles Wood in 1847, the causes which led to it, and its effects, would require too much time to be fully discussed this evening. But as I have shown the fundamental principle of the Act of 1844 to be based on

sound scientific principles, it is for those who rely on what took place in 1847 to show that it proves the failure of the Act of 1844. I believe the letter to have been the weak act of a government not strong enough to resist the pressure of bank directors, and a dangerous precedent; but let any man of science, any economist, come forward to maintain that the letter was right, and I shall be prepared to meet him and defend the Act of 1844. I am not bound to prove a negative.

As to the argument that relies on free trade in banking, the great controversy on the free trade question has so far subsided, that there is not the rage for applying free trade to every thing that there was. The coining of money has always been considered one of those functions of government with which trading, whether free or restricted, has nothing to do. So highly did our ancestors consider the prerogative of coining money, that to counterfeit the coin of the realm was treason. Such was their conception of the functions of government; and it is hard to understand why the issuing of coin should be a function of government, and the issuing of notes to supply the place of coin should not.

We have, however, an example of free trade in banking tried on a large scale in a country of the same race as ourselves, and speaking the same language—the United States of America; and what is the result?

The banks are so numerous, their credit so various, the devices of their notes so changeable and so subject to forgery, that it requires a bank-note guide more complicated than Bradshaw's Railway Guide, to determine the genuineness and degree of depreciation of the money that is passed in daily payments. Such a guide is published in New-York once a month, called, "*Leonori's New-York Bank Note List, Counterfeit Detector, and Wholesale Prices Current*;" and from the number for 18th November, 1854, I have taken the information given in Appendix A and B.

Appendix A (page 272) shows the number of banks in each State, making a total of 1,276. It shows that on 825 of these forgeries were then in circulation, and that the different kinds of forged notes to be guarded against were 3,349 in number.

To illustrate the nature of these different species of forged notes, I have selected from the "*Counterfeit Detector*" part of the paper, some of the hints as to the means of detection, and given them in Appendix B, page 273.

Opposite each bank there is a remark as to its degree of solvency, indicated by a percentage of discount. If Sydney Smith had seen this work, he would not have risked his money in Pennsylvanian Bonds.

We may form some idea of the complication which the forged and depreciated notes must introduce into all cash transactions. I recollect a story illustrating this.

Some journeymen printers, commonly esteemed a shrewd class in society, went from Dublin to New-York for the high wages they heard prevailed there. After some time they returned to Ireland, and the account they gave was, that though the wages were nominally high, yet when they were paid on Saturday, they never could tell

the value of the notes, and were sure to suffer loss when they went to buy their food and clothes.

But the disastrous effect of this free trade in banking on public morality is a still more serious evil.

As an illustration of this, I shall quote a leading article from the paper I have already referred to, which was given to me by an eminent firm in this city in the American trade, as a leading authority amongst American bankers:—

"Leonori's New-York Bank Note List, Counterfeit Detector, and Wholesale Prices Current, for Saturday, Nov. 18th, 1854.

"PROBABLE SUSPENSION OF ALL WESTERN BANKS.

"It is presumed by those who are conversant with monetary affairs that a general suspension and failure of all the banks in Illinois, Indiana, Wisconsin, Michigan, Tennessee, Georgia, and Louisiana will shortly take place. We have no doubt whatever but that many banks, hitherto considered good, must stop. So many failures as are now taking place must cause much embarrassment, and we see no chance for any favorable change for a number of months to come. Gold is now at a high premium out west, and it will soon be very scarce, at par, among our own best banks. We hear very unfavorable reports about the banks of late organization in the Eastern States, and also have been made aware that many of the Boston city banks are in as bad a condition as the 'Cochituate' was at the time it failed.

"We now tell our subscribers that they must feel no degree of surprise should a general bank suspension take place all over the country. No favorable change can possibly take place before spring, if then. *All the banks in Indiana, Ohio, and Michigan may be considered as already in an insolvent condition*, so far as regards their ability to pay in specie.

"Gold still goes to Europe in large amounts, and will continue to go *till our banks suspend. If they do so, it will be, after all, the best thing for the general welfare of our country*, as the European banking world will drain us, if the war continues, without recourse to negotiation by the great powers now embroiled. *The sooner our large institutions take this precautionary step*, the better. Gold will then accumulate in their vaults—they will then be in a better position to facilitate a more healthful state of commercial enterprise. Nothing can be worse for our merchants than the present state of matters, and *we predict*, impossible though it seems, *that the 'Bank of England' will suspend in order to protect British interests*, should this war continue for fifteen months to come.* We may be wrong in our calculation, but the thing is more probable than improbable. All that we have stated in regard to a financial crisis, and all we have written hitherto, seems to have been fully realized."

Now it is difficult to know whether to wonder most at the ignorance, recklessness, or want of principle in this article.

The contrast between the American Banks and the Bank of

* The war continued for more than fifteen months after 18th November, 1854, and the Bank of England did not "suspend, to protect British interests."

England has been put by one of that race whom the Americans despise and oppress, but he shows a more correct appreciation of the Bank of England than the Editor of the New-York *Counterfeit Detector*, whom I have just quoted. The story is so humorously told by the emancipated slave, that I shall be pardoned quoting it at full length:—

“The same party with whom I visited Windsor being supplied with a card of admission to the Bank of England, I accepted an invitation to be one of the company. We entered the vast building at a little past twelve o'clock to-day. The sun threw into the large halls a brilliancy that seemed to light up the countenances of the almost countless number of clerks, who were at their desks, or serving persons at the counters. As nearly all my countrymen who visit London pay their respects to this noted institution, I shall sum up my visit to it by saying that it surpassed my highest idea of a bank. But a stroll through this monster building of gold and silver brought to my mind an incident that occurred to me a year after my escape from slavery.

“In the autumn of 1835, having been cheated out of the previous summer's earnings, by the captain of the steamer in which I had been employed running away with the money, I was, like the rest of the men, left without any means of support during the winter, and therefore had to seek employment in the neighbouring towns. I went to the town of Monroe, in the state of Michigan, and while going through the principal streets looking for work, I passed the door of the only barber in the town, whose shop appeared to be filled with persons waiting to be shaved. As there was but one man at work, and as I had, while employed in the steamer, occasionally shaved a gentleman who could not perform that office himself, it occurred to me that I might get employment here as a journeyman barber. I therefore made immediate application for work, but the barber told me he did not need a hand. But I was not to be put off so easily, and after making several offers to work cheap, I frankly told him that if he would not employ me, I would get a room near him, and set up an opposition establishment. This threat, however, made no impression on the barber; and, as I was leaving, one of the men who were waiting to be shaved said, ‘If you want a room in which to commence business, I have one on the opposite side of the street.’ This man followed me out; we went over, and I looked at the room. He strongly urged me to set up, at the same time promising to give me his influence. I took the room, purchased an old table, two chairs, got a pole with a red stripe painted around it, and the next day opened with a sign over the door, ‘Fashionable Hairdresser from New York, Emperor of the West.’ I need not add that my enterprise was very annoying to the ‘shop over the way,’—especially my sign, which happened to be the most expensive part of the concern. Of course, I had to tell all who came in, that my neighbour on the opposite side of the way did not keep clean towels, that his razors were dull, and, above all, he had never been to New York to see the fashions. Neither had I. In a few weeks I had the entire business of the town, to the great discomfiture of the other barber.

"At this time money matters in the Western States were in a sad condition. *Any person who could raise a small amount of money was permitted to establish a bank,** and allowed to issue notes for four times the sum raised. This being the case, many persons borrowed money merely long enough to exhibit to the bank inspectors, and the borrowed money was returned, and the bank left without a dollar in its vaults; if, indeed, it had a vault about its premises. The result was, that banks were started all over the Western States, and the country flooded with worthless paper. These were known as the 'Wild Cat Banks.' Silver coin being very scarce, and the banks not being allowed to issue notes for a smaller amount than one dollar, several persons put out notes from six to seventy-five cents in value; these were called 'shinplasters.' The shinplaster was in the shape of a promissory note, made payable on demand. I have often seen persons with large rolls of these bills, the whole not amounting to more than five dollars. Some weeks after I had commenced business on my own hook, I was one evening very much crowded with customers; and while they were talking over the events of the day, one of them said to me, 'Emperor, you seem to be doing a thriving business; you should do as other business men, issue your shinplasters.' This, of course, as it was intended, created a laugh; but with me it was no laughing matter, for from that moment I began to think seriously of becoming a banker. I accordingly went a few days after to a printer, and he, wishing to get the job of printing, urged me to put out my notes, and showed me some specimens of engravings that he had just received from Detroit. My head being already filled with the idea of a bank, I needed but little persuasion to set the thing finally afloat. Before I left the printer, the notes were partly in type, and I studying how I should keep the public from counterfeiting them. The next day my shinplasters were handed to me, the whole amount being twenty dollars, and after being duly signed were ready for circulation. At first my notes did not take well; they were too new, and viewed with a suspicious eye. But through the assistance of my customers, and a good deal of exertion on my own part, my bills were soon in circulation; and nearly all the money received in return for my notes was spent in fitting up and decorating my shop.

"Few bankers get through the world without their difficulties, and I was not to be an exception. A short time after my money had been out, a party of young men, either wishing to pull down my vanity, or to try the soundness of my bank, determined to give it 'a run.' After collecting together a number of my bills, they came one at a time to demand other money for them, and I, not being aware of what was going on, was taken by surprise. One day as I was sitting at my table, strapping some new razors I had just got with the avails of my 'shinplasters,' one of the men entered and said, 'Emperor, you will oblige me if you will give me some other money for these notes of yours.' I immediately cashed the notes* *with the most worthless of the Wild Cat money that I had on hand, but which was a lawful tender.* The young man had scarcely

* Free trade in banking.

left when a second appeared with a similar amount, and demanded payment. These were cashed, and soon a third came with his roll of notes. I paid these with an air of triumph, although I had but half a dollar left. I began now to think seriously what I should do, or how to act, provided another demand should be made. While I was thus engaged in thought, I saw the fourth man crossing the street, with a handful of notes, evidently my 'shinplasters.' I instantaneously shut the door, and looking out of the window, said, 'I have closed business for the day: come to-morrow and I will see you.' In looking across the street, I saw my rival standing in his shop-door, grinning and clapping his hands at my apparent downfall. I was completely 'done Brown' for the day. However, I was not to be 'used up' in this way; so I escaped by the back-door, and went in search of my friend who had first suggested to me the idea of issuing notes. I found him, told him of the difficulty I was in, and wished him to point out a way by which I might extricate myself. He laughed heartily, and then said, 'You must act as all bankers do in this part of the country.' I inquired how they did, and he said, 'When your notes are brought to you, you must redeem them, and then send them out and get other money for them; and, with the latter, you can keep cashing your own 'shinplasters.' This was indeed a new job to me. I immediately commenced putting in circulation the notes which I had just redeemed, and my efforts were crowned with so much success, that before I slept that night my 'shinplasters' were again in circulation, and my bank once more on a sound basis.

*"As I saw the clerks shovelling out the yellow coin upon the counters of the Bank of England, and men coming in and going out with weighty bags of the precious metal in their hands or on their shoulders, I could not but think of the great contrast between the monster institution within whose walls I was then standing, and the Wild Cat Banks of America."**

Now, it is for the advocates of Free Trade Banks of issue, and for those who say that everything should be left to discretion, to show how they will draw the line and prevent our system from becoming, under their laws, like the Banks of New-York with 700 kinds of forgeries in one State, like the Western Banks suspended through entire States, or like the Wild Cat Banks and the "shin-plasters."

In conclusion, I shall give a brief summary of the conclusions to which I have endeavoured to direct your attention in this paper:—
I.—That the portion of the issue of the bank that effects prices—
or, as it may be called, the effective issue—is the difference between the total issue and the bullion held to meet it.

II.—That the Bank Restriction Act of 1797, by relieving the Bank of England from holding bullion, led to a remarkable increase in the effective issue of the bank.

III.—That the over-issue of notes of the Bank of England, and of other banks of issue in the United Kingdom, during the last war, depreciated the currency for a number of years, especially in 1814, when the depreciation reached 25 per cent.

* "Three Years in Europe, or Places I have seen and People I have met." By William Wells Brown, a Fugitive Slave. London: Charles Gilpin, 1852. Page 97.

- IV.—That the failure of the private banks in 1814, 1815 and 1816, by contracting their effective issue, reduced the total effective issue of all the banks to such a degree as nearly to restore the currency to par.
- V.—That Sir Robert Peel's Bill of 1819 made it impossible for the Bank of England to over-issue without risk of failure to itself.
- VI.—That the mismanagement of the private banks in 1824 to 1825 caused the numerous failures of those institutions, and the derangement of the currency that then took place.
- VII.—That the Bank of England, by allowing their effective issue to rise to such a large amount in 1837 and 1839, and by postponing the contraction of their circulation, aggravated the commercial crisis in those years, and ran the risk of not being able to pay in gold.
- VIII.—That the Bank Act of 1844, by limiting the effective issue of the Bank of England to £14,000,000, brings into operation the most perfect safeguard now known against any over-issue by the banks, and secures an early and regular contraction of the currency under a drain of gold, and thus adopts the only effectual means by which gold can be brought back.
- IX.—That this Act, and the Act of 1819, are the safeguards of our monetary system.
- X.—That the suspension of the Bank Act in 1847 was a weak measure, and a dangerous precedent.
- XI.—That if the sound teachings of science are departed from, and the regulation of issues left to discretion, we have no security against the evils that have been produced by the American system of banking.

APPENDIX A.

Extracted from "*Leonori's New York Bank Note List, Counterfeit Detector, and Wholesale Prices Current*," New York, Saturday, Nov. 18th, 1854:—

States.	No. of Banks	No. on which there are Forgeries	No. of Forgeries	States.	No. of Banks	No. on which there are Forgeries	No. of Forgeries
Maine ..	67	33	73	Virginia ..	20	7	47
New Hampshire ..	37	20	45	North Carolina ..	10	4	22
Vermont ..	40	27	91	South Carolina ..	20	11	55
Massachusetts ..	164	125	462	Georgia ..	19	3	11
Rhode Island ..	88	69	274	Louisiana ..	11	4	14
Connecticut ..	69	57	301	Alabama ..	5	2	4
New York City ..	61	52	245	Ohio ..	33	16	42
New York State ..	292	232	791	Indiana ..	75	14	44
New Jersey ..	51	38	236	Illinois ..	37	13	17
Pennsylvania ..	54	49	273	Kentucky ..	8	5	45
Delaware ..	8	6	58	Tennessee ..	23	3	29
Maryland ..	32	25	152	Michigan ..	9	1	3
District of Columbia } ..	19	4	7	Missouri ..	1	1	1
Wisconsin ..	23	4	7				

APPENDIX B.

Extracted from *Leonori's New York Bank Note List, Counterfeit Detector, and Wholesale Prices Current*, New York, Saturday, 18th November, 1854:—

- Belfast Bank.* Beware of drafts of the *Lumber Association* on this bank, dated New York City.
- Eastern Bank.* Beware of drafts or notes of the *N. Y. Foreign and Domestic Exchange Company*, payable at this bank.
- Bank of St. Alban's.* Beware of drafts of *Mechanics' Exchange Co.* on this bank; read "pay for the *Mechanics' Exchange Company*, New York," they are frauds.
- Farmers' & Mechanics' Bk.* Beware of drafts of *Mechanics' Exchange Company*, N. Y. on this bank; they are frauds.
- Globe Bank of Boston.* Beware of small bills of *Globe Bank of Bangor, Maine*, altered. Parsons and Howard are the officers.
- Northampton Bk., Mass.* This bank has issued new bills dated October 1, 1844, and subsequently. Better reject notes of a previous date.
- Old Colony Bank, Plymouth, Mass.* All bills of this bank, except 500 ds. have a fine vignette of the Landing of the Pilgrims—all others are worthless.
- Plymouth Bk., Mass.* All genuine notes of this bank have a fine vignette of the Landing of the Pilgrims, 1620. The denomination of each bill is distinctly printed on the borders and elsewhere, so as to prevent any successful alteration.
- Bank of Rhode Island.* All notes signed J. Munson and P. King, are spurious: they never were officers of this bank.
- Commercial Bk., Bristol, (Rhode Island).* All denominations altered from the broken "Commercial Bank, Millington, Maryland," are forgeries.
- Commercial Bank, Prov. (Rhode Island).* Same remarks.
- Globe Bank, Prov. R. I.* Beware of bills altered from "Globe Bank, Bangor, Maine;" also, "Globe Bank, New York."
- Phoenix Bk. Westerly, R. I.* Refuse all notes of this bank dated prior to January 1, 1850; new plate substituted.
- Smithfield Union Bank, Woonsocket, R. I.* All bills issued by this bank since January 1st, 1852, are dated at Woonsocket, R. I. All issued prior are dated at Smithfield, R. I.
- Bk. of the State, N. Y. City.* Beware of the notes of the "State Bank of New York," at Buffalo. "Buffalo" scratched out.
- Fulton Bk., N. Y. City.* Beware of Derby Bank notes, payable at this bank.
- Manhattan Co. N. Y. City.* This Bank has called in and cancelled its old notes, and commenced a new issue in 1848.
- N. Y. City Exchange Bk.* Beware of all denominations of the old fraudulent bank of this name—the notes read in form of a post note.
- Tradesmen's Bk., N. Y. C.* Beware of checks on this bank purporting to be drawn by the *Utica Insurance Company*.
- Union Bank, N. Y. C.* Genuine ones and twos of this bank are made payable to "bearer"—all higher denominations payable (in writing) to individuals.
- Amenia Bank, Leedsville (N. Y. State).* Notes must be presented before Sept. 9, 1855.
- Atlas Bank of New York, Clymer.* Notes must be presented before Dec. 9, 1854.
- Bank of Carthage, Jefferson County (C. N. Y. State).* Failed August 21, 1854. Resumed, Oct. 1854.
- Bank of Ithaca, N. Y. S.* Bills redeemed by the Mercantile Bank, 190, Broadway.
- Bank of Rome, N. Y. S.* Spurious bills of various denominations, altered from the *Bank of Romeo, Michigan*.

- Champlain Bank, Ellenburgh, N. Y. S.* Notes must be presented before Nov. 29, 1855.
- Commercial Bk. Albany.* Bills of all denominations on this bank, altered from broken "Commercial Bank, Millington, Maryland."
- Commercial Bk. Lockport.* Closing. Notes must be presented before Oct. 30, 1854.
- " " Troy.* Bills of all denominations on this bank altered from broken "Commercial Bank, Millington, Maryland."
- Drover's Bank, Ogdensburgh, St. Law. Co., N. Y. S.* Failed 11 A.M., August 24th, 1854. Resumed 1st Oct. 1854.
- Farmers' & Mechanics' Bk. of Genesee, Buffalo.* Beware of Bills altered from a broken bank of same name in Michigan.
- Freemen's Bank, Hebron, Genesee Co. Bank.* Notes must be presented before Sept. 9, 1855. All denominations of the broken bank of Genesee, Michigan, altered so as to read "*Bank of Genesee County.*"
- Hudson River Bank.* Notes on this Bank dated in New York are frauds.
- Lumberman's Bank, Wilmot.* Closing. Beware of all issues of certificates of deposits, drafts, checks, etc. not secured by deposit in the Bank department.
- McIntyre Bk. Adirondack.* Notes must be presented before Jan. 26th, 1855.
- Merchant's Bank, Mina.* Notes must be presented before Oct. 17th, 1855.
- Merchant's and Farmer's Bank, Carmel.* Notes must be presented before May 27th, 1856.
- Prattsville Bank, Pratts-ville.* Notes must be presented before Nov. 30th, 1854.
- Burlington County Bank, Medford, N. Jersey.* Beware of frauds with, "real estate pledged, and private property holden," between signatures.
- Farmers' Bank of New Jersey, Mount Holly.* Bills of the broken "Farmers of Seneca County," altered to this bank; "Mount Holly," stamped on.
- Ocean Bank, Bergen.* Notes must be presented before Jan. 1st, 1855.
- Passaic County Bank, Paterson.* Beware of notes altered from broken People's Bank.
- Bank of the U.S. Phila.* Winding up. Persons unacquainted with the bills had better refuse them.
- Commercial Bank of Pennsylvania, Philad.* Bills of all denominations on this Bank altered from "Commercial Bank, Millington, Maryland."
- Lancaster Bk., Lancaster.* Frauds altered from a Canada concern, engraven by Harris and Sealey. Vignette, a lion and unicorn.
- York Bk., York, Pennsylv.* No 1 dols. out, except some relief notes.
- Bank of Milford, Milford, Delaware.* Failed 11 a.m. August 24th, 1854.
- Farmer's and Planter's Bk., Baltimore, Maryld.* Certificates of deposit issued in form of bank notes.
- Franklin Bank of Baltimore* This bank failed some time since, and the old issue of genuine notes have almost all been redeemed.
- Hagerstown Bk. Hagersta.* Beware of bills of the *Farmer's and Miller's Bank*; at a first view they seem to read *Bank of Hagerstown*.
- District of Columbia.* There are many fraudulent notes purporting to be on banks that are not named. Refuse all that are not quoted good.
- Bank of Virginia, Richmond.* This bank having been robbed of some of its 100 dols. repudiates them.
- Branch of ditto at Portsmouth.* Take no 50 dols. or 100 dols. notes on this branch; some of its notes were stolen, and the bank will not redeem them.
- Merchant's and Mechanic's Bank, Wheeling, Branch at Morgantown.* Beware of notes of this bank, made payable at the *Farmer's and Mechanic's Bank of Philadelphia*. They are forgeries.
- Bank of State of North Carolina.* Beware of the notes which read, *State Bank of North Carolina*—they are worthless.
- Bank of Hamburgh, S. Car.* Beware of notes signed J. M. or W. Tilman, cash., and Henry Shultz, pres.
- S. Carolina Railroad.* These notes are signed James Gadsden, pres.

- Alabama, Bk. of the State.* This bank is winding up.
Com. Bank, Cincinnati. Refuse all notes dated previous to 1845.
Franklin Bk. of Columbus. The genuine notes of the old bank of this name have been almost all redeemed.
- Ohio State Stock Banks.* The 10 dollar plate used by all these banks has been well counterfeited. Refuse all notes of this plate; vignette, female seated, with fasces and scales in left hand, and Mercury's wand in right; on right, a steamboat; on left, bridge, rail cars, steamboat, etc.
- Bank of Marion, Ohio.* Notes from the genuine plate, with counterfeit signatures, are said to be in circulation.
- Indiana.* Refuse all notes that are not signed by the "*Registrar and Auditor of State*;" as they are the only ones that have securities deposited.
- State Bank of Indiana.* This bank issues or pays no notes except at its branches.
Mississippi, Arkansas, Florida, Iowa, Minnesota, and Texas. The notes of Banks in these States are of doubtful and only nominal value.
- Commercial Bk., Canada.* Beware of notes purporting to emanate from the Foreign and Domestic Exchange Company, New York.

V.—On the Criminal Jurisdiction of Courts of Quarter Sessions in Ireland.—By P. J. Mc Kenna, Esq.

[Read 17th March, 1856.]

THERE is nothing so zealously guarded by the constitution of these realms as the liberty of the subject. It is of the spirit of that constitution that no man shall be imprisoned without sufficient legal cause; and in conducting inquiries into the guilt of accused parties, our courts have ever shown a rigid impartiality, merciful towards the accused, and temperate as well as stern and just in imposing punishment when guilt has been ascertained. It is considered, and rightly so, the duty of the state to provide tribunals for ascertaining and settling the rights of individuals, for the protection and assurance of property and life. Great expense to the state and great inconvenience to individuals are borne without a murmur, because all recognise the necessity of having as authoritative, as impartial and as satisfactory a tribunal as human wisdom and ingenuity can devise, in order to preserve the well-being, the very existence of society. There is, however, an anomaly in our present system, at variance with all the other parts, which must excite wonder at having been so long overlooked—the extensive jurisdiction of Courts of Quarter Sessions in criminal cases, and which needs but to be brought under consideration to have its defects recognized.

It may be broadly stated that the most satisfactory tribunal available should investigate criminal charges as well as civil rights. This rule admits but of one exception grounded on convenience, that, when the charge is of a trifling nature, or the civil question in dispute of but little importance either as regards money or character, a less expensive and more summary method of disposing

of such cases than the superior courts afford should be adopted, by sending them to inferior tribunals. In every question of this kind, however, the burthen of proof lies upon those who seek to take from the superior tribunal any of its jurisdiction, or rather upon those who seek to give a jurisdiction to minor courts. I shall not, however, rest my case there, but mean to go further, and assuming the initiative to show that in the inferior courts there are classes of cases investigated, which from their gravity and the seriousness of the punishment with which they are visited demand the most satisfactory tribunal—namely, that of the judges of the land; and that those Courts of Quarter Sessions, as at present constituted, are open to the most serious objections, both as to competency and impartiality.

One of the evils consequent on this jurisdiction of Courts of Quarter Sessions, and by no means the most serious, has been mentioned by Mr. Hamilton Smythe in his book on “the Duties of Justices of the Peace.”

“While in Ireland, although there are lawyers on the bench, the non-attendance of barristers at sessions, where so much of the judicial business of the country is now transacted, makes it both inconvenient to prosecutors, unfair to the accused, and highly unsatisfactory to the character of the administration of the public justice of the country, to try persons, when they cannot exercise the right allowed them by law, of making full defence by counsel, unless at an expense beyond the means of any but the higher classes of society. The attornies practising at sessions form as intelligent and experienced a class as any in the country: but the multiplicity of their avocations and their very nature necessarily disable them from performing the duty of defending prisoners in a very satisfactory manner.”

Although there is an absence of information as to the number and class of cases actually tried at Quarter Sessions, we may obtain sufficient information on the subject by looking at the powers actually entrusted to them; and by the recommendations not to try particular excepted cases, we may see what the rule is. The authority of such courts is derived from the commission issued under the great seal, which empowers the magistrate to whom it is directed to act. By their commission as justices of the peace the magistrates duly assembled at Quarter Sessions are authorized to inquire into all treasons,* murders, manslaughter, burnings, unlawful assemblies, felonies, robberies, &c.; all persons lying in wait to maim or kill, of all offenders attempting to use weights or measures, and of a number of other cases, as witchcraft and other offences not now known. Such is the extent of their actual jurisdiction, which, however, is limited in practice by directions from the Lord Lieutenant, which, though not legally bound to pay attention to,

* In the usual form of the commission of the peace in England (3 Burn, 541) treason is not included among the offences into which the justices at their sessions are empowered to inquire, but this apparent distinction seems removed by a subsequent provision in the Irish, which excepts treason from those offences which the justices are assigned to hear and determine; and in fact the sessions never decide upon offences of such moment, or even upon capital felonies.

magistrates are in the habit of obeying. "By instructions transmitted by circular to the magistrates, by command of the Lord Lieutenant, and in which the propriety of returning all cases, whether the parties be held in custody or admitted to bail at the first competent tribunal, is particularly enforced, it is further recommended to magistrates to return to trial at Quarter Session, if they shall occur before the assizes, a class of felonies which it had not heretofore been the practice to return for trial to the sessions, viz. all felonies, though punishable with transportation for a term longer than seven years (which had been the extreme punishment for petty or simple larceny), if punishable with any term of transportation less than transportation for life. This recommendation brings within the ordinary practice of the Quarter Sessions in Ireland the trial of a large class of offences which it had been formerly the practice to reserve for trial at the assizes, more especially as by the progressive mitigation of our criminal code the scale of punishment of a large number of crimes, which had been heretofore punishable with transportation for life, or even capitally, has been reduced so as to subject them to a punishment under transportation for life."*

Having thus ascertained that those courts have so wide a jurisdiction, and one in practice so extensively exercised, my objection is, that although for trifling cases, for the sake of convenience and expedition, they may suffice, yet when such grave and serious charges come before them, and such immense power and discretion are vested in them, open as they seem to me to be to the charges of partiality and carelessness, they are, as regards those serious cases, an unsatisfactory and improper tribunal.

Let us see now how the constitution of this court involves its partiality. When the word partiality is used, it is not meant as an imputation; because the partiality is partly insensible, and partly from not rightly understanding the necessity for an entire absence of every consideration except that of the evidence adduced in court. Every prisoner put forward for his trial at Quarter Sessions, is known to some one or more of the court, perhaps a tenant to some one of them. He is a man of either good or bad character, and may have been undeservedly represented to some one or more of the gentry in his neighbourhood as being a far different description of person from what he really is. If in the opinion of some of the assembled magistrates he is an orderly well-conducted individual, it will be very hard to convict him; while, on the other hand, if he be of a wild or troublesome character, half the amount of evidence which will fail to convict in the former case will secure a verdict of guilty against him in the latter. A failure, perhaps, in the first instance, of public justice; in the latter, of justice to the individual. I suggest no unworthy motive as influencing the bench, as the fact that an accused person might be obnoxious to an individual magistrate, who would exert his influence against him both in convicting and punishing; because an objection of that kind would, I am convinced, be indecent as well as unjust, and would aim a blow at a most useful and most excellent institution, that of the magis-

* Nunn and Walsh, *Justices of the Peace*, p. 440.

tracy of the country. Country gentlemen, however, know nothing of the necessity for controlling their feelings and showing an utter impassiveness in presiding in their court. That impassiveness can only be attained by one who, from long training, is imbued with the identity of the functions of the judge as distinguished from those of the jury. The judge sits to exclude illegal evidence, to conduct in an orderly manner the trial of the case, to take notes of the evidence to which reference may be made, to observe upon that evidence in the spirit of one who discusses a scientific question, to state the law peculiar to the case, and to leave the jury with this assistance to form their own conclusion. An opinion on the case is beyond his duty; or, if hazarded, it is always with the qualification that they are not to let it weigh with them, but to judge for themselves as to the verdict. Now can any one expect a number of country gentlemen, earwigged more or less by dependents, with honest though erroneous aversions, and equally honest and erroneous predilections, to restrain themselves so as to show by no word or look, no gesture or observation, what their opinion is either of the prisoner or his case? True, the Assistant-Barrister presides, conducts the inquiry, and charges the jury; this he does, however, merely as the chairman of the bench who takes precedence of the others, as would one of the chiefs of our superior courts, who, from his superior rank and generally recognized attainments, carries considerable weight with his own court, and is yet possessed of the authority of but an individual member of the court.

Either the practice of our superior courts is wrong, or that of the Court of Quarter Sessions is faulty. The magistrates' court is objectionable, or our criminal code is erroneous in supposing innocence until guilt be established, in fencing round with various stringent rules the admission of evidence, in separating the functions of the judge from those of the juror, in requiring from the judge a perfect freedom from passion, favor, or prejudice, in surrounding him with every possible guard, humanly-speaking, to effect this object. A prisoner at Quarter Sessions is put forward, and some such whispered observations as the following pass on the bench:—"That is a bad boy; he is from my neighbourhood, and I hear very bad accounts of him; in fact he is a positive nuisance, and my bailiff tells me that some saplings of mine that were stolen must have been taken by him. I know myself he is always trespassing." Or, on the other hand:—"That poor fellow is a tenant of mine, a very regular kind of man, and I hear this whole thing is a charge trumped up against him, because he is going to get some land from me, out of which I had to turn a lot of idle ruffians who never would pay a halfpenny of rent." What more natural, what more well-meaning, yet what more objectionable than forming a court of men who will talk thus almost openly? Witnesses are asked questions in a tone and with a manner which would show the jury clearly enough, independent of looks and nods, what was the opinion of his or their worship. The country gentleman is acting from the best motives; he is trying to convict a man whom he believes to be guilty, or to acquit a man whom he thinks innocent; his opinions, however, on the subject of guilt or innocence being formed upon

evidence, not one scrap of which would be legally admissible in a court of law, and which should be put entirely out of consideration. If we consider for a moment the immense influence which the opinion of influential and intelligent men exercises upon ourselves, especially when in doubt, anxious and determined though we may be to arrive at a just conclusion, we may form some idea of the influence upon a jury which may be and is exercised by the magistrates upon the bench. If there be a conviction, the next question is as to the sentence. What punishment is to be inflicted on the criminal? Here, again, and still more manifestly will extraneous influences be brought to bear. Each magistrate has a voice in the matter, and a right to vote if there should be a difference of opinion, a right which he generally exercises. It has seemed proper to the legislature to confide a most extensive, it might almost be said a fearful latitude, as to punishment, to the hands of our criminal tribunals. If any thing requires an entire absence of feeling, of prejudice, of liking or disliking, it is the exercise of this power, which places in the hands of the court what, under ordinary circumstances, would be called an unwarrantable and dangerous confidence, of which no human tribunal is deserving,—transportation at the discretion of the court, from different periods, averaging seven years to that for life; imprisonment for periods ranging from one week to three years together, together with, in many instances, an alternative of imprisonment or transportation for the periods already mentioned: the practical effect of which is, that for the same offence a prisoner may be sentenced to imprisonment for a week, or transportation for life. Is this trust to be confided to a body of men with local prejudices and feelings, and it might be almost said without responsibility, as we have at Quarter Sessions neither of the two great purifiers and conservators of the general administration of the law—a bar, or a press? The 16th & 17th Vic., c. 99, which substitutes periods of penal servitude for all terms of transportation under fourteen years, does not in any way affect this power.

I have already shewn that from the very constitution of these tribunals, they are unsatisfactory, nay, more, objectionable; obnoxious alike to the public justice and the due observance of the law, as well as to the accused, who is not secure of an impartial trial. It may be doubted, therefore, whether I should put forward an argument against the present jurisdiction of these courts, by shewing that the manner in which prosecutions are conducted leads to the defeat of public justice, as that is a matter of detail which might be corrected; and important as beyond all question it is, I may be told that provision can be made for that abuse without touching the present powers of the Court of Quarter Sessions, and that the objection applies only to the practice of the prosecutions in these courts, not to the jurisdiction which they exercise. Although, then, I would point to this evil, rather with a view to its remedy in some way than as immediately concerning the subject of this paper, it strikes me that in one aspect it helps my case. In those minor courts it cannot be expected that trials could be conducted with the same care or regularity as in the Superior Courts, no matter what improvements may be effected in their procedure; and although

it would be desirable, in all cases, to have the most satisfactory and regular trial possible in every case, yet to dash in a careless, slipshod manner through cases of agrarian outrage, of burglary, of shooting at with intent to maim, of rape, of perjury, and the number of most serious cases now tried at Quarter Sessions, is a very different thing from enquiring in the same manner into a drunken row, or linen stripped from a hedge.

With regard, then, to the effectiveness of the prosecutions, it will be necessary to state the manner in which the solicitors who represent the crown at Quarter Sessions are in the habit of conducting their cases. When I say of conducting their cases, I do not mean in the least degree to attribute blame to those gentlemen, as they are only carrying out a practice in which they are merely ministerial. As each case is called on, the informations taken by the magistrates are handed to them, and without any other knowledge of the case, or any previous enquiries, they proceed to examine the witnesses for the crown. It may and does often happen, that material and necessary information, which, if there had been a previous investigation, might be produced, is not forthcoming, and thus the prosecution fails. Magistrates before whom prisoners are brought in the first instance, and who are to put the case in train for investigation, no matter how experienced or competent to discharge their duties, cannot understand those numerous points which require the direction of counsel conversant with criminal law, who have made the subject their study; it would be as reasonable to expect such a knowledge from them as to expect a solicitor to direct proofs in an intricate civil case. In many instances, as in actions on bills of exchange, or for goods sold and delivered, a solicitor might be able to tell his client what it would be necessary for him to prove in order to obtain a verdict; but it would hardly be contended that, therefore, the duty of directing the necessary proofs in every case which passes through his office should be imposed on him. If the case had been sent for trial to the assizes, the indictment would have been prepared by counsel, the crown solicitor would have been informed if there were any difficulties in it, or if there were any defect in the evidence taken before the magistrate which required to be supplied. It would be his duty to go down and examine the witnesses, in order to ascertain whether or not they could supply this deficiency; and if they could not, to find if there were other persons, as is generally the case, who could throw any light on the transaction to be investigated; and, having ascertained this fact, have them in attendance when the case should come on for trial.

Again, magistrates in returning cases for trial may and often do make mistakes as to the offence of which a prisoner has been guilty. If this mistake were made with regard to a case returned to the assizes, little or no harm could ensue, as the crown counsel would have before them the material facts, and would thus have the proper indictment prepared against the prisoner. At quarter sessions, however, there is no competent person to remedy the evil. A few instances of the manner in which the interests of public justice may be and are thus prejudiced, would not be out of place here. Some time previous to the last Waterford assizes, a woman

was thrown by her husband into a dry well of considerable depth, and large stones thrown down on her; beyond all question, with a murderous intention. By some happy chance the unfortunate woman escaped with her life, having suffered no mortal injury. The case was investigated before the magistrates, who, acting on some notions which only themselves could understand, returned the man for trial to the approaching quarter sessions, to be tried for a common assault. The case came by some means to the ears of the Attorney-General, who most properly directed that the man should be kept for trial for the then approaching (the summer) assizes, and that the proper indictment for wounding with intent to kill should be prepared against the prisoner. The offence was, according to the statute, capital, although not now generally punished with death. The bills were found; the man was put on his trial at the assizes, convicted on the clearest testimony, and sentenced by Mr. Justice Crampton, who tried the case, to transportation for life.

Another example of this is furnished by a case which should have come before the judge of assize in Westmeath, in the spring of 1854, and which resulted in a total failure of justice, as I take it, from the circumstance of its not having been heard of in time by the Attorney General of the day.

A bailiff, or game-keeper in that county, fired at a man who was stealing potatoes, and wounded him slightly. There was not, in point either of law or fact, any reason for justifying the act, as the man was running away trying to escape. The offence is capital, although now seldom if ever visited with the extreme sentence of the law; but, unless there be some very mitigating circumstances, prisoners who have been convicted of such an offence are transported for life. The magistrates before whom the game-keeper was brought looked upon the charge with the eyes of country gentlemen, and thinking it no great harm to fire at a thief, especially as no mortal injury had been done, sent the prisoner for trial at quarter sessions to be tried for a common assault, to which he pleaded guilty, and was sentenced to something like a month's imprisonment.

In referring to these cases, I am not to be taken as vouching for the perfect accuracy of the details, but the general outlines are beyond question correct, and, I believe, very generally known. If, however, an inquiry were made into the subject by the proper authorities, and returns made of the number and class of cases tried at Quarter Sessions, and also of the sentences passed, I have no doubt but that the conclusion at which one now arrives from reasoning upon what we know of the nature and authority of these tribunals, would be established.

The passing of such a measure as that of 5 & 6 Vic., c. 38, would seem, even in the absence of other reasons, to furnish a sufficient cause for limiting the jurisdiction of our Irish Courts of Quarter Sessions. That act, which applies only to England, is entitled, "An Act to define the Jurisdiction of Justices in General and Quarter Sessions of the Peace;" and after reciting that it is desirable to limit and define the jurisdiction of Courts of Quarter Sessions, provides "that neither the Justices of the Peace, etc., nor the Recorder of

any borough, shall try any person for any treason or felony, which, when committed by a person not previously convicted of felony, is punishable by transportation for life; or any of the following, amongst several other offences,—blasphemy, and offences against religion, administering or taking unlawful oaths, perjury and subornation of perjury, forgery, maliciously setting fire to crops, furze, etc., bigamy, and offences against the law of marriage, abduction of women and girls, endeavouring to conceal the birth of a child, offences against bankrupt or insolvent laws, composing libels, etc. stealing or fraudulently destroying records or documents relating to proceedings in courts of law or equity, wills, or testamentary papers.”

The authority of Courts of Quarter Sessions in both countries, as marked out by the commission of the justices, is almost the same in every respect, and it would be hard to assign a valid, if any reason, why an act which was thought expedient and desirable in England should not be equally desirable here. It may be said, that it is not customary in England to have barristers corresponding to our assistant-barristers for counties presiding at quarter sessions in England, and that, therefore, there is not the same reason for such a provision in this country. Possibly, there may not be equally cogent reasons; but, as I have already said, assistant-barristers are but the chairmen of the magistrates assembled at quarter sessions, and are but individual members of a court not likely to be in any way awed, much less controlled, by their legal heads; and the difference between those courts in the sister-countries, although affording grounds for drawing a distinction, can hardly afford a valid reason for not passing some similar measure to limit the jurisdiction of Courts of Quarter Sessions in Ireland. It must not be overlooked either that the above act controls the jurisdiction, not alone of Courts of Quarter Sessions, but of Recorders' and other inferior courts, and that the policy as well as effect of that act was to preserve for the superior courts every grave and serious criminal charge, and to leave to the inferior courts only such cases as public convenience and the nature of the tribunal would warrant in leaving to them.

As I have already observed, an absence of information on this subject enables me to discuss it but imperfectly. But from what little we do know of the present system, and from the conclusions at which we are enabled to arrive from the constitution of these courts, and the manner in which prosecutions are conducted in them, can any doubt exist that inquiry would shew still more to be dissatisfied with, and that an amendment or modification of some kind is required, both in justice to individuals and to the community? Some would say, remove the magistrates entirely from the bench, and leave the assistant-barrister as a sole judge. There are many objections which might be urged to this course, although I should consider it an improvement on the present system. Others would suggest modes by which the interests of public justice would be better cared than at present, by having better paid officials, who should bestow more time and attention on the effective discharge of their duties as sessional crown solicitors. All these measures, desirable though they may be, appear to me however to fail in satisfying that

demand which our institutions and public opinion require, that until and unless a valid reason for the exception be given, the most satisfactory tribunal should dispose of every case. There can be no suggestion that the judges of assize could not, consistently with the discharge of their other duties, dispose of the business which might thus be thrown on them, as they are detained as long in trying the most paltry cases as they would be in the investigation of those more serious charges which are at present disposed of at quarter sessions. The time at which the offence is committed is now, I may say, the only test as to whether it should be tried at quarter sessions or assizes; and the judge of assize has, with a very slight exception, exactly the same class of cases, both grave and trifling, as the assistant-barrister. If the paltry cases were sent to the Court of Quarter Sessions, and the serious charges reserved for the assizes, it would be found that there would be very little difference in the length of time required by either of these courts in transacting its business.

Although I do not feel myself at liberty to give the opinions of several assistant-barristers with whom I have conversed on the subject, I may state this much, that they generally agreed that there was much that was objectionable in the present state of those courts as regards public prosecutions; although, as to the mode in which the remedy should be applied, there may be some difference of opinion. My simple proposition is, that we should follow the course pointed out to us by legislation in England, and limit the jurisdiction of these courts. Minor courts such as these cannot be converted into superior courts, either in their forms of procedure or their practice. It would be a departure from their object to force on such an approximation. They have their duties as have the superior courts, and it is not by approximating these minor courts to the superior courts that the object is to be effected, but by sending to the superior courts those classes of cases which, from their gravity and importance, demand the most satisfactory investigation. Let each do its own proper work, and transact that class of business for which it was intended, and for which it is competent.

Much as may be urged against the jurisdiction of these courts of Quarter Sessions, and the practice of sending to them for trial almost every case that presents itself, I can only imagine and have heard of but one objection to holding over cases for the assizes; namely, that a gross injustice would be done to accused persons by detaining them in prison, it might be for several months, when the Court of Quarter Sessions might sit in the same number of weeks and dispose of their cases. If this were to be the effect, I confess I should feel much difficulty as to the course to be adopted, as I feel fully impressed with the weight of this remark. I find, however, on making inquiry, that in nine cases out of ten, even the humblest people are able to procure bail for their appearance; and I have been assured by a gentleman who, from his official situation, has as much experience and means of information as perhaps any man in this country, that whether before the assistant-barrister or the judge of assize, in the greater number of the cases called on for trial, the prisoners have been standing out on bail, and that in the graver

cases, those which I would seek to have reserved for the judge of assize, in eight cases out of ten the accused have been able to procure the usual necessary bail required.

Although, from the absence of statistics, and accurate information upon this subject, not to speak of my own short-comings, I am unable to do more than glance at it, I shall not have failed of accomplishing my object, if, by attracting to it public attention, I shall provoke enquiry and discussion; and if I am right in my views, I have little fear but that, with the temper of the present day, considerate as it is of all that concerns the humbler classes, the evil will be remedied. It would, perhaps, be somewhat premature to offer suggestions as to the mode by which the present objectionable system should be altered. The precedent, however, offered by the act already referred to in force in England, would seem to present a very simple and practical means of effecting a change.

VI.—*On the General Principles of Taxation, as illustrating the Advantages of a perfect Income Tax.* By W. Neilson Hancock, LL.D.

[Read, 18th November, 1850.]*

GENTLEMEN,

The duties of government, as enumerated by Adam Smith, are four in number:—

1st—To guard against foreign aggression.

2nd—To secure against internal fraud or violence.

3rd—To maintain public institutions which private individuals cannot support with profit.

4th—To make all the subjects of the state contribute their fair share towards the necessary expenses of government, by the payment of taxes.

Now, in this paper, I propose to direct your attention to the last duty, or in other words, to explain the general principles of taxation.† There are few branches of political economy more interesting in themselves, or of more importance at the present time, than the subject of taxation, and yet there is scarcely any on which greater errors are prevalent.

I shall, in the first instance, direct your attention to some of those errors, involving general principles; which, in fact, arise from a wrong way of looking at the subject, and which are, conse-

* Published by the Society in 1850, and now reprinted at the author's expense.

† There are very few treatises on the general principles of taxation. The following are the principal English authorities on the subject:—Smith's *Wealth of Nations*, Book V.; Ricardo's *Principles of Political Economy*, chapters VII. to XVI. inclusive; Sir Henry Parnell (afterwards Lord Congleton) on *Financial Reform*; R. J. M'Culloch on the *Principles and Practical Influence of Taxation*; J. Stuart Mill's *Principles of Political Economy*, Book V.; and Professor D. C. Heron's *Three Lectures on Taxation*.

quently, sources of an infinite number of minor errors in the cases where these mistaken principles come to be applied.

The first error is that of looking upon government as *trading* in taxation; that is, endeavouring to obtain the largest sum possible to be raised without rebellion. In fact, on this theory it is supposed to be the interest of our rulers, like village hucksters, to give the least possible amount of good government, and to charge the highest price for it. But a little reflection will convince you that the circumstance of a government affording protection has some characteristics quite distinct from an ordinary exchange; so that it is an absurd and forced attempt to discover truth by analogy, to deduce the principles by which a government should be guided in discharging the duty of raising taxes, from the principles by which a trader should be guided in selling coals.

The inhabitants of any state must submit to the government that is placed over them, and must pay the taxes imposed, unless they are prepared to emigrate or to raise a revolution. In buying coals, on the other hand, if the purchaser do not like the quality or price of the coals offered, he can try elsewhere for an article more agreeable to him, without either of the alternatives I have above referred to; so that competition enters into the sale of commodities in a way in which it does not enter into the dispensing of the security afforded by government. In short, those entrusted with the exercise of government have a serious duty laid upon them to discharge their trust in the manner most beneficial to the persons placed under their power: so that rulers should afford the best possible kind of government that the existing knowledge of the social sciences enables them to discover, and should impose on the community the least possible burden; in short, only what is sufficient to defray the necessary expenses of such government.

In M'Culloch's work on Taxation you will find this view of the subject entirely disregarded. Thus he says, page 6, "Governments have, therefore, precisely the same interest as their subjects in facilitating production, inasmuch as its increased facility affords the means of adding to the quantity of produce at their disposal, without really adding to the weight of taxation; whereas, on the contrary, a diminished facility of production must either diminish in an equal degree the produce appropriated by government, or compel it to lay heavier burdens on its subjects."

Now, governments, as governments, have no interest whatever in facilitating production, because the amount of taxation should depend on the duties required to be discharged, and the expenses necessarily incurred in discharging them. In a year of scarcity, when production is least, it is often necessary to increase taxation, in order to defray the expenses consequent on the increased protection required against the dangers arising from distress. In a year of plenty, again, when the expenses of government begin to diminish, taxation should be reduced. Such is what we actually see take place in our poor-law taxation.

This error of Mr. M'Culloch arises from confounding the private interests of public officers paid by fees, with the duties of governments as trustees for the public. And it is one great argu-

ment in favor of paying public officers by salaries proportioned to their services, that it not only secures more regular performance of their work, but prevents their minds being filled with an erroneous conception of their duties to the public, by considering their sole object to be, to realise the largest amount of fees.

Another erroneous theory is that of representing taxation as no burden at all; in fact, as rather a benefit. This error has found great favor with Mr. M'Culloch, and is certainly a most inestimable means of defending every possible system of taxation that may chance to be established. "It is," he says, "however, abundantly certain that *all* taxes, when judiciously imposed, and not carried to an oppressive height, occasion an increase of industry and economy, and but rarely encroach on capital. Under these conditions, they operate as motives to restrain expense, and as incentives to labor and ingenuity, frequently occasioning the production of more wealth than they abstract."*

Now the same defence might be made for highway robbery or picking pockets. For if taking the property of a man without his consent promotes industry and economy, and leads to the production of more wealth than is abstracted, robbery, when judiciously carried on, is, on Mr. M'Culloch's showing, beneficial to the community. The fallacy in Mr. M'Culloch's argument is in supposing that privation is the sole or chief incentive to labor and ingenuity. But enjoyment is a still greater incentive; and although the imposition of taxes often forces persons to make increased exertions, the enjoyment which they would derive from spending the money themselves, if not taken from them, would lead to still greater exertions; so that the question is not whether the imposition of a tax leads to the production of an amount of wealth greater than the tax, but whether it leads to the production of a greater amount of wealth than would be produced if the tax were not imposed. And there can be no doubt, that the natural desire of obtaining increased wealth at the least sacrifice is a more powerful motive for exertion than any artificial stimulus supplied by the privation of having property taken from us, ever so judiciously, by tax-gatherers or others.

Next to the opinion that taxation is no burden comes the theory that in this country our taxation is so excessive that we cannot enter into competition with foreign nations, and, therefore, that the principles of free trade do not apply to a country heavily taxed. In order to measure the exact pressure of taxation† in the

* "Principles of Taxation," page 6.

† "Every twenty shillings paid in taxes are disposed of in almost these proportions:

	£	s.	d.
Expenses of the Army, Navy, &c.-----	0	7	2
Queen, Judges, Ministers of State, and other Public Officers-----	}	0	10
And also Pensions and Sinecure Places, i. e. those that have no duties belonging to them			
Interest of the National Debt-----	0	12	0
	£1	0	0

—Easy Lessons on Money Matters.—Lesson on Taxes, p. 76.

British empire, we must begin by dividing the £50,000,000 of general taxes into two parts—£30,000,000 are required to pay the interest of the national debt, £20,000,000 to defray the expenses of the necessary duties of government.

As to the national debt, it must be admitted that it is a serious evil which has been handed down to the present generation. But before we can rely on the taxation it involves, as a reason for not being able to compete with foreigners, we must consider whether our ancestors have not left us more than an equivalent in noble institutions and valuable works, public and private. If we compare the wealth invested in the towns, harbours, roads, canals, railways, and agricultural improvements, throughout the three kingdoms, with the wealth similarly invested in any country in the world; if we compare the local and central political institutions, and the freedom of action and thought enjoyed in the British dominions, with what we find elsewhere, we shall then know how to value the work done by our ancestors of which we reap the benefit. This work exceeds the amount of our national debt far more than the amount of similar work in any other country exceeds the amount of debt there. So that the national debt is no reason for our not being perfectly able to compete with foreigners.

We have next to consider the £50,000,000 that is paid to support the Crown, the army, the navy, the judges, and the other departments of government. It is plain that if our rulers give the best government that human knowledge can discover, and raise the least possible amount of taxation in the least burdensome manner, the security afforded by government is an ample equivalent for such taxation. Those, therefore, who maintain that the £20,000,000 paid for British government is excessive must maintain one or more of three propositions:

- 1st—That our system of taxation is not the best.
- 2nd—That our machinery of government is not the best.
- 3rd—That the remuneration of public officers is fixed at too high a scale.

For if none of these propositions be true, our taxation is not excessive. If any of them be true, the remedy is not to exclude competition with foreigners on account of defects in our own institutions which we have the power to remove. Taxation arising from a defective system of imposition can be reduced by the adoption of a better system; taxation arising from our institutions being defective can be reduced by improving the machinery of government; and taxation arising from a lavish payment of public officers can be reduced by economy and retrenchment.

Having thus disposed of the opinion that foreign competition ought to be excluded on account of the amount of British taxation, I proceed to notice one of Mr. McCulloch's profound theories respecting taxation. I have already quoted his opinion that all taxes judiciously imposed are a benefit; you will, therefore, be surprised to learn that, in the same book in which he advances that opinion, he, in a few pages subsequently, advances a theory diametrically opposite, by stating that *all taxation is an evil*.

"There is no mystery," he says, "in the manner in which

government is supported and taxation operates. Government is not a producer; its expenditure is not defrayed by its own labor, but by that of its subjects. And hence, the greater the expenses of governments, the deeper must they encroach on the income or capital of their subjects, and conversely; unless, as previously stated, they be met by increased industry, or economy, or both. But this is not always to be depended upon; and M. Say, notwithstanding his wish to be epigrammatic, is justified in saying that the best system of finance is to spend little, and the best of all taxes the least. '*Le meilleur de tous les plans de finance est de depenser peu, et le meilleur des tous les impôts est le plus petit.*'"

Now I cannot imagine anything more unscientific and absurd than this statement. Amongst the American Indians they have, according to Say and M'Culloch, the best system of finance and the best of all taxes, for there is nothing spent in government, and no taxation. But the insecurity thence arising is a greater burthen, a greater impediment to progress in wealth and civilization, than would be even a bad and troublesome system of taxation for some tolerable form of government. If, by following the maxim to *spend little*, we are led to neglect any of the necessary duties of government, or have been induced to offer such inferior pay to public servants as to secure incompetent officers, we have not adopted the best system of finance.

The doctrine of *to spend little* being the whole art of finance is like the Frenchman's theory of feeding his horse; he thought the horse only eat from habit and not from necessity, and so could be gradually reduced in his diet by taking off a straw a day. As the story goes, he pursued his experiment until he had brought the horse down to one straw, and then it died. Just so those economists who think that the burden of taxation is to be diminished by reducing the payment of all public servants, and by omitting one after another the necessary duties of government, would, if allowed to carry out their theories, end in anarchy, which is the death of government. The true theory on this subject is, that it is better to pay even high taxes for good government, than low taxes for bad government; and the real test of the burden of the tax is not its amount, but its amount compared with the kind of government given for it.

The next theory respecting taxation that requires to be noticed, is one connected with Protectionism. It is ably noticed by Mr. Mill:—"In countries where the system of protection is declining, but not yet wholly given up, such as the United States, a doctrine has come into notice which is a sort of compromise between free-trade and restriction; namely, that protection for protection's sake is improper, but that there is nothing objectionable in having as much protection as may incidentally result from a tariff framed solely for revenue. Even in England regret is sometimes expressed that a moderate fixed duty was not preserved on corn, on account of the revenue it would yield. Independently, however, of the general impolicy of taxes on the necessities of life, this

* "Principles of Taxation," page 16.

doctrine overlooks the fact, that revenue is received only on the quantity imported, but that the tax is paid on the entire quantity consumed. To make the public pay much, that the treasury may receive a little, is no eligible mode of obtaining a revenue. In the case of manufactured articles, the doctrine involves a palpable inconsistency. The object of the duty as a means of revenue is inconsistent with its affording, even incidentally, any protection. It can only operate as protection in so far as it prevents importation; and to whatever degree it prevents importation, it affords no revenue.*

Mr. Mill then proceeds to state a theory which it is necessary to notice. He adds: "The only case in which, on mere principles of political economy, protecting duties can be defensible, is when they are imposed temporarily (especially in a young and rising nation), in hopes of naturalising a foreign industry in itself perfectly suitable to the circumstances of the country." But even in the case thus stated, protecting duties are not defensible. The proper way for a government to interfere for the purpose of encouraging any new undertaking, if they meddle at all, is by direct pecuniary grants out of the general taxes to the parties introducing the manufacture. By such a system it is clearly ascertained what amount is granted, no custom-house arrangements are involved, and no smuggling; nor is any tolerance held out to protective duties in other cases.

Having noticed some erroneous theories respecting the subject, I proceed now to state the general principles of taxation as laid down by Adam Smith:—

"1.—The subjects of every state ought to contribute towards the support of the government as nearly as possible in proportion to their respective abilities; that is, in proportion to the revenue which they respectively enjoy under the protection of the state.

"2.—The tax which each individual is bound to pay ought to be certain and not arbitrary. The time of payment, the manner of payment, the quantity to be paid, ought all to be clear and plain to the contributor and to every other person.

"3.—Every tax ought to be levied at the time or in the manner in which it is most likely to be convenient for the contributor to pay it.

"4.—Every tax ought to be so contrived as both to take out and to keep out of the pockets of the people as little as possible over and above what it brings into the public treasury of the state."†

From these principles we can at once deduce that the most simple and natural tax, conforming to all these maxims, is a perfect income tax. In order to frame a perfect income tax we have to determine the following points:—

What is the income of an individual?

What is the most convenient mode of assessing an income tax?

What is the most convenient time for paying it?

As to the determination of the amount of income received dur-

* "Principles of Political Economy," Book v. chap. x.

† "Wealth of Nations," book v. chap. ii.

ing a given time, it is manifest that all the wealth which any individual acquires or receives in any year must be obtained either by gift or by production. If it be obtained by gift, it must arise either from the living, or by bequest or succession from the dead. If it be by production, it must arise either from wages, from profit, or from rent, or from some two or all of these sources. So that a perfect income tax is a tax on all bequests, successions, and other gifts, and on wages, profit, and rent received during a given time.

The best way of understanding what is meant by a perfect income tax is to consider the taxes which are now [1850] imposed directly on income in the United Kingdom. These are three in number; Sir Robert Peel's Property Tax, the Probate Duties, and the Legacy Duties. The difference in the rates of taxation imposed by these taxes, and the exemptions under them, is shown in TABLE I. in the following page.

Now, under a perfect income tax, there would not be any of the distinctions contained in the above table. The same rate of taxation would be imposed on all successions, no matter by whom received; the same rate would be imposed on income by succession as on income from wages, profit, or rent. Again, there would be no exemption of the most valuable kind of successions, namely, freehold estates in land.* When we hear so much of the peculiar burdens on land, this extraordinary exemption is commonly overlooked. And the only exemption would be that of incomes below a certain small amount, on account of the cost of collection.

Next, as to the mode of assessing an income tax. The most convenient way would be to require every one to make up his accounts to the last day in each year, to calculate his income for the preceding year, and to make his return to the income tax collector in the month of January. In February and March the collectors should examine and decide on all returns, and assess the amount of the tax. As to the period of payment, the tax ought to be payable in equal gales on the 1st April, 1st July, 1st October, and 1st January following; the tax-payers being allowed a discount on paying the entire annual tax before its falling due, and being charged a per-centage for tardy payments.

On this plan, parties would always pay on the income of the preceding year; and it would be necessary to provide for the case of minors coming of age, and of parties dying within the year—but I need not refer to these details at present. An income tax framed on the plan I have suggested would fulfil all Adam Smith's principles of taxation, and it is the only tax that does fulfil them.

You will naturally inquire why it has not been more generally adopted. This, I believe, arises from the prevalence of ignorance on the subject, and of narrow-minded selfish views. Ignorance

* Since 1850, when the paper was read and published, by Mr. Gladstone's Budget the income tax has extended to Ireland and to incomes between £150 and £100 a year. A tax was also imposed by Mr. Gladstone on the succession to freehold property in land. The income tax was raised during the war without any similar increase of the probate and legacy duties or the tax on successions. The different rates of taxation on different kinds of income under existing taxes is shown in TABLE II. in the next page.

TABLE I.

SPECIES OF INCOME TAXED.	RATE OF TAXATION (1850).	
Rent, profit, and wages, exceeding £150 a year in England and Scotland	about 3 per cent.	
Succession to personal property (including chattel interests in land) exceeding £20 in England, Scotland, and Ireland :—		
— By a wife.....	UNDER PROBATE.	UNDER ADMINISTRATION.
— By children and grandchildren.....	about 2 per cent.	about 3 per cent.
— By brothers, sisters, and their descendants	" 3 "	" 4 "
— By uncles, aunts, and their descendants	" 5 "	" 6 "
— By grand-uncles, &c.	" 7 "	" 8 "
— By more distant relatives and strangers	" 8 "	" 9 "
	" 12 "	" 13 "
EXEMPTIONS FROM TAXES ON INCOME (1850).		
Rent, profit, and wages in Ireland		
Rent, profit, and wages less than £150, in England and Scotland		
Succession to personal property less than £20, in the United Kingdom		
Succession to freehold interest in land, of every amount, in the United Kingdom		

TABLE II.*

SPECIES OF INCOME TAXED.	RATE OF TAXATION (1856).		
Incomes above £150 per annum	about 7 per cent. about 5 per cent.		
Incomes between £100 and £150.....			
Succession to property :—	FREEHOLD.	PERSONAL AND CHATTEL INTERESTS IN LAND.	
— By a wife.....		UNDER PROBATE.	UNDER ADMINISTRATION
— By children and parents	per cent.	per cent.	per cent.
— By brothers, sisters, and their descendants	—	2	3
— By uncles, aunts, and their descendants	1	3	4
— By grand-uncles, &c.	3	5	6
— By distant relatives and strangers.....	5	7	8
	6	8	9
	10	12	13
EXEMPTIONS FROM TAXES ON INCOME (1856).			
Rent, profit, and wages in United Kingdom under £100 per annum.....			
Succession to property less than £20.....			

* The above TABLE II. for 1856, will show, at a glance, the gross unfairness

prevents the tax-payers from discovering the enormous amount they pay for collecting the indirect taxes under our present system: as the income tax admits of no undue shifting of the burden from one class of the community to another, it has no selfish class interests in support of it. On the contrary, many such interests are opposed to it, as its general adoption would put an end to the specious fallacy of obtaining protection by means of an indirect tax ostensibly imposed for the purpose of revenue.

The general ignorance which prevails on the subject of an income tax cannot be more strongly shown, than by the objections which are founded on the supposition of the tax (rightly understood) being imposed on wages, profit, and rent only, and not extended to bequests, to successions, and to other gifts. Thus, one of our most distinguished conveyancers, Mr. Brodie, the Real Property Commissioner who drew the Fines and Recoveries Act, in his recent work on the Tax on Successions and Burdens on Land, &c., proposes a tax on succession to land as a partial *substitute* for an income tax.

Again, Mr. Mill, overlooking that, besides an income tax, we have a heavy probate and legacy duty, urges that life incomes should not be subjected to the same rate of taxation as perpetual incomes. "The existing tax," he says, "treats all kinds of incomes exactly alike, taking sevenpence in the pound as well from the person whose income dies with him, as from the landowner, stockholder, or mortgagee, who can transmit his fortune undiminished to his descendants. This is a visible injustice; yet it does not arithmetically violate the rule that taxation ought to be in proportion to means. When it is said that a temporary income ought to be taxed less than a permanent one, the reply is irresistible that it is taxed less, for the income which lasts only ten years pays the tax only ten years, while that which lasts for ever pays for ever. But almost every one feels that this answer does not touch the real grievance; for in spite of the nominal equality of income, an annuitant of £1000 a-year cannot so well afford to pay £100 out of it as one who derives the same annual sum from heritable property."*

Now a very simple illustration will shew that the equality of payment and consequent grievance that Mr. Mill refers to, has no

of even the improved regulations introduced by Mr. Gladstone. It will be seen that incomes above £150 per annum are charged about seven per cent.; those between that and £100 per annum about five per cent.; while those below it escape income tax altogether. Again, it may be observed that the great majority of incomes derived from succession, namely, those inherited by children, are, in the case of freehold property, charged but one per cent., whilst if derived from personal property, they are charged three per cent., and the incomes of the professional and trading classes are charged five and seven per cent. The extraordinary partiality thus displayed in favor of incomes from succession to freehold property is further exemplified in the charge on incomes from occupation of land, which I have not introduced into the table, but which is much lower than the fair proportion.

It may be said that the inequality between the present income tax and succession duty was not so great when the latter was first instituted; but if the principle of a perfect income tax were adopted, the ratio on each would rise equally, and there would be no varying, and, consequently, unjust proportions as at present.

* "Principles of Political Economy," Book v. chap. 2.

existence, if we extend our consideration to the taxes now imposed on successions, which are really as much taxes on income as Sir Robert Peel's property tax. A person enjoying a salary or professional income of £1,000 a year for twenty years would, under an income tax of 3 per cent., pay during that time £600. A son deriving £1,000 a year from funded property under his father's will, and surviving his father twenty years, would during that time pay for probate and legacy duty* and for income tax £1,540; and he would have to pay the same amount under a perfect income tax of 3 per cent. An illegitimate son or a stranger deriving £1,000 a year from funded property under a will, and surviving the testator for twenty years, would during that time pay for probate and legacy duty and for income tax, £4,360. So that it is plain that neither under our existing system of taxation, nor under a perfect income tax, is there any pretence for saying that a professional income of £1,000 a year has to pay as much as an income of £1,000 a year from inherited personal property.†

Mr. Mill, instead of perceiving this obvious truth, recommends various plans for getting rid of the equality of payment which has no existence. Thus he says:—"The principle, therefore, of equality of taxation, interpreted in its only just sense—equality of sacrifice—requires that a person who has no means of providing for old age or for those in whom he is interested, except by saving from his income, should have the tax remitted on all that part of his income which is really and *bona fide* applied to that purpose." There could not, however, be a more impracticable suggestion than this; for it would be impossible to ascertain what was ultimately applied for a provision for old age or a family, as the savings might at any time be broken in upon; and how could a line be drawn so as to exclude savings for the mere purpose of accumulation? and why should the latter be exempt from taxation?

Mr. Mill then suggests the rough expedient of two different rates of assessment, and adds, "In fixing the proportion between the two rates, there must inevitably be something arbitrary; perhaps a deduction of one-fourth in favor of life incomes would be as little objectionable as any which could be made." Now, this proposal to adopt an arbitrary division shows the absence of any fixed principle such as I have shown to be really contained in an income tax, rightly understood, and which would be much more favourable to incomes from personal exertions than Mr. Mill's arbitrary rule.

From want of perceiving the inherent justice of a perfect income tax, various propositions have been brought forward for imposing a different scale of taxation on wages, on profit, and on rent. One great objection to all these plans is the difficulty of practically distinguishing income into wages, profit, and rent; what a professional man earns by his profession is partly the wages of his personal labor, partly the profit of the capital spent on his education, and in providing him with books or instruments necessary for his profession. The return derived from agricultural improvements is

* In this calculation the consols are assumed to be at 96.

† Or inherited real property under the succession duty.

profit in the hands of the improver, and rent in the hands of his heir, whilst it would be profit in the hands of a purchaser. In the latter case, the perfect income tax does complete justice; for whilst the original improver or the purchaser would only pay an income tax on the annual produce of the improvements, the heir would pay, first, a per centage on the entire value of the improvements, and then a per centage on the annual produce.

There is one limit to an income tax which ought always to exist, but the reason for which is commonly misunderstood. When the cost of collecting an income tax in individual cases approaches the amount collected, as it does in the cases of very small incomes, it is mere pedantic cruelty to collect it. For a tax should take out and keep out of the pockets of the people as little as possible over and above what it brings into the public treasury of the state. Therefore, in all such taxes, incomes below a certain amount ought to remain untaxed. In England, the limit for our present property tax of 3 per cent. is fixed at £150,* and for the probate and legacy duties is £20; and from the principle I have stated, you will at once perceive that the higher the per-centage of income tax, the lower the limit ought to be fixed.

If the limit were fixed on the principle I have stated, it would leave the cases of paupers, and all those verging on pauperism, exempt from taxation, as it would be found that the cost of collecting a tax from such classes would be greater than the amount collected; but if we except these classes, there is no reason why any other class should be exempt from taxation, except on the grounds I have stated. The notion that taxation should only encroach on luxuries, and never on the necessities of life, seems a most mistaken one, and is founded on the idea of looking on government as an expensive luxury, instead of considering the security it affords as one of the greatest necessities of life. In a time of public danger, the duty of sacrificing even necessities to the safety of the state is universally recognised and praised.

The necessity of a limit below which incomes should not be taxed has been generally admitted. But some people, misled by a fanciful notion of justice in such matters, or by the alleged principle of taxation falling only on luxuries, have proposed that in imposing the tax on incomes above the limit, the tax should be on the excess, and not on the entire income; in fact, that at present [1850] an income of £160 should pay only ten sevenpences instead of 160; or 5s. 10d. instead of £4 13s. 4d. But they overlook the fact that it would, probably, cost more than 5s. 10d. to collect that amount from the person taxed, whilst the sum of £4 13s. 4d. could be collected for exactly the same cost, as all the checks and investigations would be the same in the one case as in the other.

The suggestions that I have elsewhere made for a perfect register of debts, and a system of legislation leading to a complete separation of the trade of lending money from the trade of selling goods, is of great importance in connexion with the question of a perfect income tax. For the great difficulty that private indivi-

* Changed by the regulations made since 1850.

duals have now in calculating accurately their income and expenditure, arises in a great degree from the system of general credit. If each individual borrowed from one or two persons only, and paid cash for all his commodities, he would find it very easy to calculate his income accurately, and to keep accurate accounts. This desirable object would also be much facilitated by having book-keeping by double entry made a necessary part of general education. The effect of the division of trade I have pointed out, and of a perfect income tax, would have a most salutary influence in stopping numerous insolvencies. For it has been observed by an intelligent writer, that one of the principal sources of insolvencies is the neglect of traders to keep proper accounts.

I cannot conclude my observations on a perfect income tax, without noticing a substitute proposed for it by Mr. Mill, and without directing your attention to one of the most injurious of our indirect taxes—the tax on law proceedings.

Mr. Mill says, “a house tax, if justly proportioned to the value of the house, is one of the fairest and most unobjectionable of all taxes.”* But if we compare the value of the houses occupied by persons of the same or different incomes, we shall at once perceive that a house tax is a most unequal tax—that is, most unfairly proportioned to the means of paying it. The limits of house rent in Dublin probably range from £10 to £400, whilst the limits of income range from £10 to £20,000.

The most injurious of our indirect taxes is thus noticed by Mr. Mill: —“In the enumeration of bad taxes, a conspicuous place must be assigned to *law taxes*, which extract a revenue for the state from the various operations involved in an application to the tribunals. Like all needless expenses attached to law proceedings, they are a tax on redress, and therefore a premium on injury. Although such taxes have been abolished in this country as a general source of revenue, they still exist in the form of fees of court, for defraying the expenses of the courts of justice; under an idea, apparently, that those may fairly be required to bear the expenses of the administration of justice who reap the benefit of it. The fallacy of this doctrine was powerfully exposed by Bentham. As he remarked, those who are under the necessity of going to law are those who benefit least, and not most, by the law and its administration; to them the protection which the law affords has not been complete, since they have been obliged to resort to a court of justice to ascertain their rights, or maintain those rights against infringement; while the remainder of the public have enjoyed the immunity from injury conferred by the law and the tribunals, without the inconvenience of an appeal to them.”*

It would be almost as unreasonable to require the police to be paid by a tax on the parties who were robbed, as to require the courts of justice to be supported by those who resort to them. Suppose a new act of parliament be passed, like the Leasehold Conversion Act, containing a doubtful clause; on the first case brought before the court, the doubt is argued at the expense of the

* “Principles of Political Economy,” book v. chap. v.

parties concerned, the decision of the court puts an end to the doubt, and every one who has afterwards to act under that act of parliament gets the benefit of the decision. Now why should the parties to the first case pay not only their own expenses, but a tax for the decision, which is a general benefit?

There is one view of taxes on law proceedings and taxes on contracts not stated by Mr. Mill, and that is, that they impose a heavy burden on the legal professions, and present a great impediment to all improvements in the mode of carrying on legal business.

Those engaged in the legal professions are really carrying on a trade of selling legal knowledge and ability—a trade which has its origin in the natural division of labour, so that under any system of laws there will always be a legal class. Now in every other trade, it is found that whatever diminishes the price to the consumer, without encroaching on the profits of the producer, increases the sale in such a manner as to benefit the producer: so that it is really the interest of lawyers that law proceedings should be cheapened by the abolition of law taxes. It is the interest of that part of the profession engaged in conveyancing business that taxes on contracts should be abolished. And these changes are especially the interest of those at present in the legal profession; for as the numbers cannot be increased rapidly, they would derive the entire benefit of the increased business consequent on the change.

The same mode of reasoning which proves that the members of the legal professions are interested in cheap law, proves that Mr. Mill is entirely mistaken when he says, "that every imperfection in the law, in proportion as it is burdensome to the community, brings gain to the lawyer." This is a short-sighted view of the interest of a lawyer; for as there will always be business for the legal professions, it is the interest of those engaged in them to make their services as valuable as possible to the community; and if we compare the legal professions in England with those in less civilised countries with more imperfect laws, we shall see that these professions have a higher and a nobler function than being, as they were recently described by an eminent queen's counsel, "the scourges of the community;" and that the interest of lawyers, rightly understood, is the same as that of the community at large.

But if taxes on law proceedings are to be removed, some other tax must be substituted in their place.

What shall that tax be?

From what has been already said, plainly an income tax, so that the basis of all improvement in this, as in other cases of unwise taxation, rests in the adoption of the conviction that a perfect income tax is the best of all taxes.

APPENDIX A.

[The following paper on the Income Tax was written in October, 1852, at the request of the Archbishop of Dublin, in reply to an application from the late Joseph Hume, Esq., M.P., for his Grace's opinion on the questions raised by the select committee of the House of Commons on the Income and Property Tax. The observations having met with his Grace's concurrence, were sent to Mr. Hume, and were published by him with an intimation that although he differed in many points from the writer, he thought the statement would amply repay perusal.]

It is obvious that the full development of the free-trade policy must lead to the progressive substitution of direct for indirect taxation. And hence the importance of the question raised by Mr. Hume, which may be stated in the words of Adam Smith:—"How can the subjects of a state contribute to the support of the government as nearly as possible in proportion to their respective abilities?"

The three modes which have been proposed to effect this object are—by taxes on the production and importation of commodities, by taxes on property, and by taxes on income.

As to the first class of taxes, "those on the production and importation of commodities," the great objections are that they interfere with internal or external trade, that they enhance the price of commodities far beyond the net amount actually received from them, and that they lead to extensive smuggling and fraud.

As to "taxes on property," the objection is, that in the case of the largest class of the community, those who live by labour alone, their ability to pay taxes is not measured by the amount of their property; inasmuch as many, living from day to day on large earnings, have no property at all. And this objection cannot be removed by any of the plans for considering wages as a species of life property, which can be valued like an annuity; it being well known that the wages of individuals and of trades undergo changes according to laws entirely different from those by which the value of an annuity is determined.

A "tax on income," rightly conceived, is the real solution of the proposed question, and is the solution suggested by Adam Smith himself, for he says:—"The abilities of the tax-payers are in proportion to the revenue which they respectively enjoy under the protection of the state."

Now, the revenue or income of a tax-payer, which is the real measure of his ability to pay taxes, can be reduced to four distinct elements:—

- 1st. The wages a man receives for his labour.
- 2nd. The profit he derives for the use of his capital.
- 3rd. The rent he gets out of his land.
- 4th. The value of any property, whether real or moveable, which he obtains by gift or succession, during the year.

Such is the scientific conception of income; such also is the meaning attached to it by any person who prepares with any skill an annual "profit and loss" account, or an annual account of "income and expenditure." It follows, therefore, that a perfect income

tax includes a tax on gifts and successions, as well as a tax on wages, profits, and rents.

When it is asked, "How can Sir Robert Peel's partial income tax (absurdly named an income and property tax) be made more equitable?" the answer is plain: By extending it so as to include all classes of incomes; viz. :—

1st. By extending it to all incomes from wages, profits, and rent, below £150 and exceeding £20 a year.*

2nd. By extending it to incomes from wages, profits, and rent in Ireland.

3rd. By extending it to the succession to freehold property in land.

The succession to personal property is already taxed at a higher rate than any other species of income in the United Kingdom, by the probate and legacy duties. But these duties, which are really taxes on income, ought to be consolidated with the income tax, and the rate of taxation equalised; and then the extraordinary exemption [1852] of succession to freehold property would have to be abolished, or would be put in such a plain point of view as to expose the hollowiness of the landlord's complaints of peculiar agricultural burdens.

The extension of Sir Robert Peel's income-tax to all kinds of income would remove the complaints which are now in some cases justly made against it in its present state. Thus, a person who succeeds to an estate of £1,000 a year in fee simple now pays only the same amount as an official with an annual salary of £1,000, namely, £30 a year; and this is justly complained of. But, under a perfect income tax, he would pay in the first year of his ownership 3 per cent., on £30,000, the value of his estate, or £900; and in every subsequent year 3 per cent on the rent, or £30, equal to a perpetual payment of £60 a year, if he lived for ever, as the interest of £900 would be £30. In the case of the longest life, the person succeeding to the freehold estate would pay a great deal more than double the amount paid by the person receiving £1,000 a year as wages.

None of the proposed modifications of the existing tax, such as Mr. Sotherton's plan of taxing incomes under Schedule (D.) at three-fourths of the amount levied upon all other kinds of property, would be so favourable to incomes arising from wages as the perfect income tax.

The objection that persons on salaries are now unfairly taxed, as compared with fundholders and other capitalists, has no foundation, as it arises from overlooking that such capitalists are liable to probate and legacy duties, which impose a greater burden on incomes arising from succession than a perfect income-tax would impose.

Nearly all the other difficulties which have been suggested as objections to Sir Robert Peel's income-tax could be shown to be entirely inapplicable to a perfect income-tax.

* Mr. Gladstone in his budget extended the Income Tax Bill, but at a different scale,* to incomes below £150 and exceeding £100. He also extended it to Ireland. He also imposed the Succession Tax upon the succession to real property.

The true policy of taxation to be adopted by British statesmen should therefore be* :—

First—To substitute for the present probate and legacy duties an extension of the income-tax, so as to include successions to personal property.

Secondly—An extension of the income-tax, to include successions to real property.

Thirdly—An extension of the income-tax to Ireland, and to all incomes above £20.

If, then, a perfect income-tax were thus constructed, the rate of taxation should be gradually raised about 1 per cent. each year, commencing at the present amount of 3 per cent., and, as a surplus arose, indirect taxes should be gradually taken off.

In repealing the indirect taxes, it would be necessary in the first place to repeal stamps on conveyances and on the transfer of property, which are the real burdens on land; and also the assessed taxes, as these taxes are put forward as the plea for exempting successions to real property from taxation.

Then the duties on tea, sugar, tobacco, and wine should be reduced, so as to avoid all objection to extending the income-tax to incomes below £150. After these the changes should be in the following order :—To repeal

1. Taxes on knowledge.
2. Duties on fire insurances.
3. Taxes on locomotion—railways, coaches, &c.
4. Taxes on law proceedings.
5. Receipt and other stamps.
6. Excise duties.
7. Customs duties.

The reduction of some of the customs duties should precede the removal of the tax on spirits, to prevent the price of that article being lowered before the prices on tea, coffee, cocoa, wine, and other articles which enter into competition with it. The reasons for the order of repealing the indirect taxes are so obvious that it is unnecessary to state them.

APPENDIX B.

[This Appendix is added to explain the changes now (April, 1856) required to make a perfect Income Tax.]

The provisions necessary to be adopted at the present time, in order to have the existing taxes on income converted into a perfect income tax, may be thus enumerated :—

First—The scale of taxation on incomes between £100 and £150 should be equalised with that on incomes above that amount. The difference at present is between 5 per cent. and 7 per cent.

* Some of these measures have, it will be observed, been already partially adopted.

Second—The Probate and Legacy duties should be incorporated with the income-tax, and the scale of taxation on succession to personal property equalised with the tax on income. At present, personal succession is taxed at various rates from 2 to 13 per cent., the greater part paying less than half the rate of income-tax.

Third—The succession duty on real property should also be incorporated with the income-tax, so as to prevent the undue partiality shown to landed property by the low rate of assessment on succession to real property. While the scale of taxation on freehold succession varies from 1 to 10 per cent., the greatest portion pays only 1 per cent., being only one-seventh of the tax on professional and mercantile income.

Fourth—The tax should be extended to all incomes below £100 a-year, the only exception being in cases where the amount to be derived from it would not re-pay, or but barely re-pay, the expense of collection.

If such a perfect income-tax were established, the rate of taxation, as I have elsewhere shown (*Journal of Dublin Statistical Society*, vol., 1, p., 1, 1855), sufficient to raise the fifty millions sterling necessary to carry on the government of this empire, and to allow of all exceptional taxes being abolished, would not exceed two shillings in the pound.

VII.—*Proceedings of the Dublin Statistical Society.*

NINTH SESSION—THIRD MEETING.

[21st January, 1856.]

The Society met at the Royal Dublin Society House, James A. Lawson, LL.D. in the chair. The minutes of the last meeting having been read,

Professor Leslie read a paper on "Improvident Marriages."

Mr. Cairnes read a paper entitled, "The Effect of War on Prices."

The following gentlemen were elected members of the Society:—James Bristow, Esq.; William Hodges, Esq.; Peter Gale, Esq.; William M'Conkey, Esq.; and James Marten, Esq.

FOURTH MEETING.

[18th February, 1856.]

The Society met at the Royal Dublin Society House, Lord Talbot de Malahide in the chair. The minutes of the last meeting having been read,

W. Neilson Hancock, LL.D. read papers entitled, "Is Fire Insurance a proper subject of Taxation?" and "A Plan for removing

the insecurity of Depositors in Savings' Banks, and for providing for the losses of those who have trusted to Government Security."

The following gentlemen were elected members of the Society:—Richard Reeves, Jun., Esq.; Archibald S. Charteris, Esq.; James M'Gouran, Esq.; Hugh Sherrard, Esq.; and Francis Byrne, Esq.

FIFTH MEETING.

[17th March, 1856.]

The Society met at the Royal Dublin Society House, Thomas H. Todhunter, Esq. in the Chair. The minutes of the last meeting having been read,

P. J. M'Kenna, Esq. read a paper "On the Criminal Jurisdiction of Courts of Quarter Sessions in Ireland."

James Haughton, Esq. read a paper entitled, "Education the surest prevention of Crime, and the best safeguard of Property and Social Order."

The following gentlemen were elected members of the Society:—George Woods Maunsell, Esq.; William Dwyer Ferguson, Esq.; and Walter Boyd, Jun. Esq.

VIII.—*Notices respecting Barrington Lectures.*

BARRINGTON LECTURES ON POLITICAL ECONOMY.

The Council of the Statistical Society will on Friday the 9th of May, select the towns to which courses of lectures will be granted, under the Barrington Bequest, for the ensuing year. Applications for courses of lectures to be addressed, before the 8th of May, to the Secretaries, at 27, Summerhill, from whom further information can be obtained.

JOURNAL OF THE Dublin STATISTICAL SOCIETY.

JULY, 1856.

I.—*The Expediency of a Cheap Land Tribunal.*—By James A. Lawson, LL.D.

[Read April 21st, 1856.]

THE subject which I wish to bring under the notice of the Society this evening is, the expediency of establishing a cheap Land Tribunal. In my opinion such a tribunal is very much required, and I do not limit this observation to Ireland; I think the very same necessity exists in England and Scotland. By a Land Tribunal, I mean a tribunal having the power to decide upon the ownership of land, authoritatively, conclusively, and finally, unless appealed from; and, as incident to this jurisdiction, having power to determine all questions relating to the charges affecting it, and the mode in which its proceeds, when sold, are distributable: I think the public should be entitled to have the aid of this tribunal whenever a sale of land is desired. When I speak of a *cheap* tribunal, I mean a tribunal having its judges and officers paid by the state, and consequently exacting no fees from those who resort to it, and requiring from the suitor no payment except that which he must make to his own professional advisers—just as the transfer of government stock at present costs the seller and buyer nothing except brokerage.

I shall first state my reasons for thinking that such a tribunal ought to exist. I shall, secondly, endeavour to answer some objections which have been urged against it; and thirdly, I shall make some suggestions as to the mode in which such a jurisdiction ought to be called into operation.

I think, then, that we ought to have such a tribunal, because without it a safe and ready transfer of land is not possible, as our laws are at present framed. That a ready transfer of land is desirable, as well for the land-owner himself as for the community at large,

very few will now be found to dispute. The value of an article depends, amongst other things, upon the cost of bringing it into market, and if the sale of ordinary commodities were to be impeded until, in each case, an inquiry was made as to how the person offering them for sale acquired their possession, trade and commerce would almost cease; sellers and buyers, and the community as consumers, would alike suffer. Lands and houses, certainly, are not likely to change hands quite as often as chattels, but the injury is the same in kind, though not in degree, and we may reasonably conclude that if the present obstructions to its transfer were diminished, its changes of ownership would be affected in proportion as these difficulties were removed. I can quite understand the political argument put forward by those who oppose the giving of any increased facilities for transfer of land, when they tell us that the great value of property in land is that it can be perpetuated in the same family for generations, and that the successive owners, however anxious to dispose of it, can be prevented from so doing. I do not sympathise with those views, and I think such reasons can weigh nothing when compared with the general benefit of the public, who are interested that land should not remain in the hands of reluctant and embarrassed owners; besides, I think, experience shews us that a family is never really benefited by being thus forced to continue nominal owners of an estate. Perhaps, if a portion of it could have been readily and advantageously disposed of, the rest might have been preserved; but our law, in its desire to prevent sales, facilitated the creation of incumbrances—in other words, encouraged pledging instead of selling, and this fatal facility of obtaining money without loss of nominal ownership or position has led land-owners to improvidence and ruin. In asking that a tribunal should be established to decide upon and determine the ownership in land, it appears to me that we are not asking anything anomalous or extraordinary. The phrase, *PARLIAMENTARY TITLE*, which is generally applied, leads persons rather to think that some very unusual intervention is sought for, and that government is asked to interfere to alter the ordinary course of things.* If we look a little deeper, I think we shall see that we are only asking the law to correct an evil which the law has introduced. Our law of conveyancing has put the ownership of land upon an entirely different footing from that of other property, and has created the difficulty of solving the problem,—Who is, at any given time, the owner of land. With respect to other property, possession implies property—to this extent, at all events, that any one buying from the person in possession, without fraud or collusion, is safe. The possession of chattels, of stock or shares, carries with it, *prima facie*, the right of disposition to a purchaser untainted with any fraud. With respect to land, it is not so; the possessor may be a trespasser, or a caretaker, or a tenant; and a purchaser from him may get nothing but the possession—liable, at any time, to be made wrongful by a demand on the

* For instance, Lord St. Leonards lately, in the House of Lords, compared the Incumbered Estates Act to the suspension of the Habeas Corpus Act; he described it as a measure contrary to law, and that as soon as the necessity for it ceased, the law should revert to its former channel.

part of the rightful owner. Of the ownership itself there are very different degrees and modifications, as well as different kinds, legal and beneficial. Again, when you find out the actual owner, there is the necessity of ascertaining the charges and incumbrances which affect that ownership, very numerous in kind, and sometimes created, I may say, without the knowledge of the owner; for instance, a recent judgment, in itself not a charge upon land, is liable to be made so at the option of the owner of the judgment, by registering it as a mortgage without any notice to the debtor. The law, therefore, has permitted, has encouraged, has created this state of things, which renders the ownership difficult of ascertainment; and if the law does no more, but leaves things in this state, it is obvious that property in land must be much less easy of transfer than any other kind of property. Thus, the law of conveyancing has thrown impediments in the way of transfer, and the law which facilitates the creation of incumbrances, as a substitute for sale, diminishes the facility of transfer; while, on the other hand, if there were facility of transfer, it would be unnecessary to afford facilities for incumbering. I am assuming, for the present, that the law of conveyancing remains unaltered; and in asking that a legal tribunal should be constituted, competent to decide the question who is the owner of land, do we ask any more than that the law should solve the difficulty which it has created, and tell us, authoritatively, what is the result of its own rules? I observe that Lord St. Leonards, in his evidence before the Receiver Committee, when speaking of the state of property in Ireland, says:—"The great thing is, as quickly as possible to ascertain who is the owner, and give him the care of his property." Now is it not a strange thing that, looking at land, for the present, not as a transferable article at all, but as the great source of wealth; in the productiveness of which the community at large are interested, it should be left at all in uncertainty who is the owner? For while there is doubt about the ownership, we cannot reasonably expect that capital will be expended or improvements made. I entirely concur with Lord St. Leonards, that the great thing is to ascertain quickly who is the owner; this phrase is pregnant with two things, quickness and certainty; the process should be prompt, the result should be certain. Under our present land laws, without a land tribunal, it is slow and uncertain. We must consult the lawyer to tell us who the owner is. He has great difficulty in arriving at a conclusion, and the conclusion, when arrived at, binds no one; it is destitute of authority; and the purchaser who has purchased under that opinion, if he wants to sell the next year, cannot bind the new purchaser by the result of the former inquiry; but the whole process must be gone over again from the beginning; just as if a student in Euclid were obliged to prove over again each former theorem when he required to apply it, instead of assuming it as having been already proved. Inasmuch, then, as a safe and ready transfer of land is essential; and inasmuch as the present state of our law renders that impossible, without the establishment of a land tribunal; I think sound principle leads us to conclude, either that the law should be altered so as to allow this safe and ready transfer, or that the law should step in to remedy this defect caused by its own rules, and on every occasion of sale pro-

nounce authoritatively, if required, who is the owner or person capable of selling. With respect to the first alternative, such a change in the law as to render land as easily and as safely transferable as stock, I shall be very glad whenever the time comes that this shall be accomplished. Many doubt its practicability, that is, the possibility of putting every estate in land in these kingdoms upon a register, and keeping it there by registering every devolution of title.* Every one will admit that such a result is not to be soon hoped for; and pending its introduction, I think we should not be deprived of the very obvious and practical good which would result from the establishment of a tribunal, which, when required so to do, should have power to decide upon the ownership of land.

Such is the conclusion to which it appears to me that reason would lead us, looking at the state of our law and the exigencies of society; but it is a singular circumstance that the public mind has arrived at the conclusion by what I may call an accident. The Incumbered Estates' Act in this country, which for the first time established a land tribunal, owed its existence not to any such train of reasoning as I have been using, but to the necessities of the times. Any man would have been laughed at who proposed its establishment, on the ground that such a tribunal was at all times necessary. It was introduced as an exceptional measure, and to relieve this country from the crisis in which its affairs were—all its property heavily incumbered by reason of the state of the law to which I have adverted; the incumbered owners rendered, by a visitation of Providence, utterly insolvent and incapable of managing the estates; and the impossibility of finding any purchasers under sales as then made by the Court of Chancery, although it was manifest that it was essential to the restoration of a sound state of things that all such properties should be transferred from nominal to real owners. This Act was therefore regarded as a temporary expedient, justified and rendered necessary by the exigency of the moment, and was, of course, confined to incumbered estates, and was intended to be limited in its duration. The landed proprietors and the public have experienced the advantage which arises from a ready sale and an indefeasible title; and they naturally asked, was this jurisdiction to cease with the occasion that gave it birth, or was it to be perpetuated? After several extensions of the Incumbered Estates' Act, a Commission was issued, with which I had the honour to be associated, to very eminent persons in both countries, to inquire into the expediency of continuing this jurisdiction. They arrived at the conclusion,† that such a tribunal should continue to exist, and should be permanently established; and, moreover, that its operations should not be limited to incumbered estates, but should extend to all estates to be sold. Indeed, unless the Commissioners were prepared to

* I am glad to observe that that eminent judge, the Master of the Rolls, in his Evidence to the Incumbered Estates Inquiry Commission, states his opinion that "*the law relating to the transfer of land may be so altered that land may be sold with nearly as little delay or difficulty as government stock; and that as indefeasible a title may be given on the transfer of the former, as is now given on the transfer of the latter.*" When the law has been so altered, no necessity will exist for a Land Tribunal except at the instance of a creditor.

† See Report of the Commissioners for Inquiry into the Incumbered Estates' Court.

make this latter recommendation, they could scarcely have recommended the permanent continuance of the tribunal; for it was obvious that for the mere purpose of selling *incumbered* estates, it was not necessary to perpetuate it. They state in their Report, I think with good reason, that incumbered proprietors are not entitled to more favour than unincumbered proprietors, or to greater advantages in bringing their properties to sale.

It appears to me that three questions now arise which are to be determined by the legislature—1st, Is this jurisdiction to pass away; having enjoyed the advantages of sale with indefeasible title, are we to lose it? 2ndly, If the jurisdiction continue, must it not be extended to all estates? And, 3rdly, Should it be confined to Ireland, or should not such a tribunal be established in England and Scotland also?

On both the first points, we have the deliberate opinion of the Commissioners, that the jurisdiction should be continued, and that it should be extended to all estates offered for sale. As to the third point, I see no reason why a similar measure should not be introduced into the other parts of the United Kingdom.* I have not been able to procure any statistics of the comparative amount of incumbrances affecting property in England or Scotland; but in both countries there is no doubt that it is very considerable: the advantages of such a tribunal would be fully appreciated there; and I hope that as soon as such a tribunal is permanently established here, a similar measure for England and Scotland will follow without delay. The reasoning I have adduced appears to me to establish that there should be a Land Tribunal; experience has shown that it has worked well, and therefore it ought to be perpetuated and extended.

I have said that this should be a cheap tribunal; by this I do not mean one where cheap and bad justice would be administered, but one in which no tax is imposed upon the suitor. One of the great merits of the Incumbered Estates Court has been, its freedom from burdens of this kind; and, on the other hand, the great obstruction to the working of the Court of Chancery has been the existence of stamps upon its proceedings; and to expect that Chancery will be cheap, expeditious, or satisfactory, while these imposts are allowed to continue, is as absurd as it would be to expect a man to run nimbly who was laden with a heavy chain. I have no hesitation therefore in saying, that I look upon the proposal which has been made of imposing a tax by way of per centage on the amount of purchase money, in order to defray the expenses of the court, as one which, if carried out, will be fatal to the success of the experiment. It has been so often urged, and is now so generally admitted, that to tax the suitor for the support of the court is unjust and injurious, that I pause not now to argue the question. The Common Law Commissioners of 1851 recommended the abolition of these charges; and the

* Lord St. Leonards, on a recent occasion in the House of Lords, when speaking against a measure introduced to carry out some of the recommendations of this Commission, said he was perfectly convinced that if the measure passed for Ireland, it must be adopted in England; otherwise the great boon of a parliamentary title would give Irish property a great value, and place English property at a disadvantage.

Committee on Receivers, in their Report, use this expression, "Nor should any consideration connected with fees or stamp duty be suffered to prevail against the higher exigencies or the general interests of the country."

I find that one of the arguments used in the House of Commons, in support of some of the proposed alterations in the constitution of this tribunal, was that the result of the measure would be a saving to the country. A more misplaced or contemptible argument, in dealing with a question of such magnitude, can hardly be conceived. The people of these countries have proved that they are both able and willing to pay any amount of taxes that may be requisite for carrying out objects of which they approve; and believing, as I do, that the people of this country feel an interest in having the transfer of land facilitated, I am sure they would scorn the paltry design of relieving the country from the trifling expense of supporting this tribunal, at the expense of the suitor, and by means which would mar the very object which that tribunal is intended to effectuate. Courts of justice do not exist for the benefit of suitors alone, but for the benefit of those who are not suitors, and who are not necessitated to become suitors simply because those courts exist, and because the knowledge that there is a prompt remedy prevents the perpetration of wrong and the withholding of rights; and it is just as reasonable to compel the suitor alone to support the court, as it would be to levy the tax for the support of the police only from those who have had occasion to apply for their intervention. I consider it a disgrace to this country, that even in those inferior tribunals where justice is supposed to be cheaply and indifferently administered, stamps have, by the last Civil Bill Act, been imposed upon the proceedings.

Having now stated my reasons for concluding that a cheap Land Tribunal should exist in the three kingdoms, I proceed to consider one or two objections which are frequently urged against it. These are, the dangers of mistake and fraud—of selling one man's estate to pay the debts of another—a danger which, it is said, is greatly increased because you have no *contestatio*, no person interested in opposing the proceedings, and bringing before the Court everything material for them to know; on the contrary, that it is an *ex parte* proceeding. I have no wish to deny the existence of those dangers, and the possibility of mistake and fraud; but the question is not whether there be that danger, but whether it is sufficient to outweigh the consideration of the general benefit that would result to the community from the measure. It does, however, appear to me that those dangers are exaggerated, and that by proper care they may be almost removed. Every tribunal is fallible, and the apprehension that an erroneous decision may be come to is not any argument against the administration of justice. We have a right to deal with the decision of every court as correct until it is reversed by a higher one. This is not the kind of error which is feared, but it is the danger of overlooking the rights of absent parties, and of intentional fraud and deception being practised on the court. With respect to the first, I think a Land Tribunal would be at least in as good a position to pronounce upon the ownership of land as the Court of Chancery is

in a creditor's suit. The decision of the Court of Chancery that a good title has been shewn only binds the parties to the suit; the change suggested is, that it should be binding upon all the world—that it should be a judgment *in rem*. It was a mistake, when such an expensive investigation had been gone through, not to make it final to all intents and purposes. With respect to the danger of overlooking the rights of absent parties, care should be taken that a strict investigation of the title shall take place, and that notice be given to all parties interested, in addition to giving the proceedings themselves the utmost simplicity in their form and the fullest publicity, which will be best done by avoiding technical forms and rendering the proceedings generally intelligible. With respect to the point that there is no *contestatio*, the same may be generally observed with respect to creditors' suits themselves, the creditor and owner being alike interested in seeing that the debtor has power to create the incumbrance. The purchaser, indeed, is interested in seeing that he has a good title; but I think the title would undergo as careful an investigation from a court accustomed to deal with such matters, and having powers to arrive at the truth, as it now receives from a purchaser's counsel. With respect to the danger of actual fraud, that can never be entirely prevented, but the publicity of the proceedings and the care taken in conducting them form the best securities against this danger. As far as experience goes, we can say, I think, that the experiment of selling with an indefeasible title has been a very successful one, and that none of those evils which were apprehended have as yet arisen. But the question for the legislature to determine is, whether those apprehended evils are worthy of consideration, when we regard the general security of title and the free transfer of land which would follow from the establishment of the tribunal which I have been advocating.

I now proceed to make some suggestions as to the mode in which this jurisdiction should be established.

In the first place, I think that the decision of the title to land is one of the most important questions which can be submitted to any court; and therefore the jurisdiction should not be entrusted to any inferior court, but to one presided over by judges of the highest order, assisted by competent officers, and the suitor should have power of obtaining, by way of appeal, the decision of the ultimate Court of Appeal upon his rights. There is at present a course of practice and procedure established in the Incumbered Estates' Court, which is simple, unembarrassed with needless forms and technicalities, and has given very general satisfaction. It is plain, therefore, that by whatever court this jurisdiction is to be exercised, that system of practice should be followed and adopted. With respect to the proposal of annexing this court to the Court of Chancery, I think that if carried out, it could be safely done by constituting a separate department of that court, to be called the Sales and Title Department. I have no fear that the practice of the Court of Chancery would corrupt the practice of the new tribunal; but, on the other hand, one might reasonably hope and expect that the practice of the Court of Chancery should be reformed and assimilated to the more

approved practice. It is not a little strange that both the friends and the enemies of the Court of Chancery argue against this annexation. It is said, "Will you make the Court of Chancery a great medium for conveyancing, its proper duty being to decide conflicts between adverse parties?" It appears to me a strange thing that the admirers of that court should pronounce it incapable of undertaking the decision of the most important questions, and propose that they should be committed to otherhands, since it is plain that whatever tribunal is entrusted with them will be the first in importance. On the other hand, those who dislike the Court of Chancery say that it is not fit to do this, that its abuses are such that it would ruin anything which was entrusted to it. I ask, if that be so, why should it be allowed to remain so? And what better opportunity could there be for removing those abuses, than by entrusting to it a jurisdiction which would compel it to adopt a new and simple course of practice and procedure? In other words—if not fit, make it fit. I do not concur in the opinion as to its unfitness; I think, by adopting this course, it would be quite fit for the effectual discharge of these functions. The effect of such a transfer, if properly made, would be not to swamp and render useless the new department, but to invigorate and remodel the entire. I find that when it was proposed to entrust the Incumbered Estates' Court with the sale of the estates which were the subject of Chancery suits, the same prediction was made, that it would have the effect of overwhelming the new tribunal. In Lord St. Leonards' evidence before the Receivers' Committee, in answer (600) to the question, "Would it be proper in the Bill now before the House, to allow the Commissioners to deal with estates now under the management of the Court of Chancery?"—"No, I think it would be a very great mischief to give any such power; it would overwhelm the Commissioners at once, and would prevent them from discharging the duties which it is at present proposed to confer upon them."

It is to be observed that this duty of pronouncing upon title is one that will become every day easier, in proportion to the number of estates which have been made the subject of it, for these afford us so many termini from which to start, and it is only necessary to deal with the subsequent devolution of the title. With respect to the proposal which has been made, to suffer the present court to finish its business, and set the new court in operation at the same time, I look on it as most mischievous and impolitic; the effect of it would be to deprive the country of the services of those who have acquired experience in the working of the system, and to entrust the business to new and unpractised hands.

I look, therefore, upon the proposal of annexing the Incumbered Estates' Court to the Court of Chancery, instead of being destructive of that jurisdiction, as the engrafting it upon the permanent institutions of the country.

While I thus advocate the establishment of a Land Tribunal, in order to remove those difficulties which our law of real property has created, I am by no means insensible to the necessity of reforming those laws. I trust, however, that this reform will be well considered and comprehensive, and that this subject will not be marred by piecemeal and experimental legislation. The entire subject ought to be

carefully considered, and it is impossible to separate the reform of our laws relating to land from the question of the Ecclesiastical Courts. These courts have been annually threatened with reform, and I suppose it will at last come; and in any measure for their abolition and the transfer of the probate jurisdiction to some other tribunal, the question of having a real as well as a personal representative ought to be considered. At present, real as well as personal estates are subject to the payment of the debts; the personal representative is the absolute owner of the personal estate, so far as the *jus disponendi* is concerned; and there seems no reason why there should not be a real representative having the same power to dispose of the real estate. Thus, in case of death, the law would authoritatively determine the devolution of real estate for the purposes of sale. If other alterations were made, assimilating the law of real to that of personal property, and shortening the period of limitations, the duties of a Land Tribunal would be greatly facilitated, and the transfer of land would soon be placed upon a sure and satisfactory basis.*

II.—*The Private and Local Business of Parliament.*—By Joseph John Murphy, Esq.

[Read May 19th, 1856.]

THE private and local business of Parliament arises from the fact, that work has to be done which the law of the land does not afford the requisite powers for doing; so that it is necessary to obtain special powers from Parliament. No individual or company, for instance, has the power of compulsory purchase, except in so far as it is conferred by Parliament for a special purpose, and to a defined extent; so it is necessary to obtain that power from Parliament in every separate case where a railway is to be made, as it is manifestly impossible to make a railway of any length, without authority to purchase land at a compulsory valuation.

Thus a vast quantity of work is thrown on Parliament, of a kind that was not contemplated by the framers of our constitution. The constitutional functions of Parliament are, 1st, to make laws; 2nd, to sanction the expenditure of the public money; and, 3rd, to control the executive; but now the business of public legislation is seriously impeded by this huge and increasing mass of miscellaneous local business.

It would be a partial compensation for the hindrance of public business and the postponement of measures of public legislation, if the private and local business were well done. But this is not the

* It is right to observe that the subject discussed in this paper is at present under the consideration of a Select Committee of the House of Commons, to whom the Bills for continuing the Incumbered Estates' Court, or annexing it to the Court of Chancery, have been referred. The Committee has not as yet made any report, but a general impression prevails that the opinion of the majority of its members is adverse to the continuation of a Parliamentary Title. It remains to be seen whether such a decision, if made, will meet the approval of the Legislature, or whether the public, who not unreasonably expect that the principle should be perpetuated in Ireland, and extended to the rest of the kingdom, will approve of the retrograde movement which such a decision would suggest.

case. I will not attempt any detailed exposure of the vices of the system; the rather as this has been admirably done by a writer in the *Edinburgh Review* for January, 1855, in an article entitled "Private Bill Legislation," which I will not spoil by attempting to condense. I will here speak only of the enormous expense it entails on the promoters of bills, especially when they meet with opposition. In the latter case the expense is so great, that it is by no means uncommon to oppose a bill on perfectly frivolous and untenable grounds, in hope that the promoters may find it cheaper to buy off opposition than to contest it. And who can tell how many useful enterprises are rendered impracticable, because they are too small to pay the expense of obtaining the necessary powers from Parliament? The Limited Liability Act does not meet this objection, for it affords no facilities for obtaining the power of compulsory purchase, which is equally necessary, in many cases, with that of the limited liability of shareholders.

It is, besides, utterly unreasonable to expect members of Parliament to do the kind of work which is thrown on them by our system of private legislation. The expression *private legislation* is, in fact, a misnomer, a contradiction in terms. It is not legislation at all, but administration; and administrative work is not suited to Parliament. Members of Parliament are unpaid; may they ever remain so! We have few greater privileges than that of being able to get our public business done by men of social standing, who do not enter public life for a livelihood. But the services of unpaid men ought, as a general rule, to be demanded in the deliberative department only. The inferior parts of the work, and all that can be reduced to routine, ought to be left to their paid subordinates. The unpaid men should give orders, and the paid men execute them.

This observation indicates the manner in which it is proposed to disburden Parliament of that portion of its functions which is really administrative. Let Parliament, instead of conferring special powers by a private act in every separate case where they are required, pass a general act, or series of acts, to provide for every such case that may arise in future; and at the same time constitute a Department of State, with authority to administer those acts. Thus, one general act would do the work of many private or local ones, and, as I hope later to show, would do it better.

It cannot, however, be practicable in a constitutional state to transfer the entire power of private legislation to the executive. Cases will occur that must be reserved for the consideration of Parliament alone: especially bills of indemnity, and bills to modify the terms of trusteeship. These, by the terms of the case, transcend the authority of the courts of justice; and to confer authority in such matters on the executive would constitute a despotism. This function of Parliament, however, is not properly either legislative or administrative, but judicial. There are cases where the power that makes the laws sanctions a temporary departure from the law, in order to serve the ends of justice. And some local jurisdictions must perhaps always exist, such as harbour and river trusts, which are somewhat exceptional in their nature, and cannot be brought under any general act. All I contend for is, that where it is possi-

ble to make one general act do the work of many private ones, this ought to be done, and the execution of that act confided to a Department of State. The application of this principle would disencumber Parliament of nineteen-twentieths of the private business. The simplest case to which this method is applicable is probably that of turnpike trusts, which are badly administered under several hundred local acts, and might be much better administered under one general act; which would also save the time of Parliament from being wasted, in future, over the clauses of turnpike bills.

I will do no more than allude to the exclusive jurisdiction of Parliament as a court of justice in cases of divorce, which is a great and indefensible anomaly. It may be true that the obtaining of a divorce ought not to be made easy, even on sufficient cause shown. I am not going to discuss the question; but this is no reason against transferring the jurisdiction of Parliament, in such cases, to a properly constituted court of law.

It is desirable, almost necessary, for a political reformer in this country to be able to cite a precedent that shall prove him to be contending for no new and untried principle, but for a further application of one already recognised. This, fortunately, is my case on this occasion. I only contend for the application, in all cases where it is practicable, of a principle which has been already applied in several cases with success.

There are few higher acts of power than that of incorporating a municipality; yet our laws permit this to be done, under defined conditions, by the executive, without reference to Parliament. A clause of the English Municipal Reform Act authorises unincorporated towns to receive charters of incorporation by application to the Privy Council, and this power has been acted on in several instances. Of course, it is rigidly defined: the Privy Council can only grant charters of a specified form and conferring specified powers.

A similar law exists in Ireland, and produces very happy results. The people of any unincorporated town in Ireland may, on application to the Lord Lieutenant, receive authority to elect town commissioners, and tax themselves for the purpose of lighting and paving. This law has done very much for the improvement of a great number of small towns in Ireland, which could not have borne the expense of parliamentary charters.

The English and Irish Poor Law Commissions are another precedent for what I propose. Before they existed, local acts were often obtained by English parishes to introduce local modifications into the general working of the Poor Law. These have never since been applied for. Parliament has in fact, though not in form, delegated the power of modifying the local working of the Poor Law to the Poor Law Commission.

The Enclosure Commission affords another precedent. Great part of the work of partitioning and enclosing the English commons was got through in the early part of the present century, by means of the clumsy device of a separate act for each common; in which, I believe, there was much jobbing and disregard of the rights of the peasantry. This function, however, has been transferred from Parlia-

ment to the Enclosure Commissioners, by which arrangement the work is better done and the time of Parliament is saved.

Perhaps the power oftenest sought for in private and local Bills is that of compulsory purchase. This is, no doubt, a very important power, and ought never to be conferred except for an adequate purpose, and with sufficient safeguards against abuse. It is not, however, an attribute of the legislature alone; the authorities of every county have the power of entering on land without the owner's consent, for the purpose of making roads. A precedent, moreover, exists for endowing an administrative department with a power identical in principle with that of compulsory purchase. By virtue of the Irish Drainage Act, if the owners of two-thirds of the land capable of benefit by any arterial drainage assent to the proposal, the objection of the remaining third may be overruled; the drainage is executed by the Board of Works, and the necessary funds are advanced by the Treasury, to be repaid in annual instalments by those who reap the benefit. The great benefits conferred by this act are well known in Ireland. If any one thinks an Irish precedent inapplicable to Britain, I reply that it may be so in political cases, but the principles of the Irish Drainage Act are of universal importance. They are, that water seeks its level—a law that was in force before man lived to learn it; and that minorities ought not to be allowed to obstruct—a principle which is not the result but the basis of legislation.

The precedents I have quoted are sufficient to prove that no new principle would be involved in transferring the greater part of the functions now exercised by Parliamentary committees to a Department of State.

When I speak of transferring parliamentary *functions*, I do not mean to transfer parliamentary *powers*. Every act of parliament, private as well as public, is, at least in theory, a new law. The proposed administrative department, on the contrary, should have no power to make laws, but only to apply general acts of parliament to particular cases.

Another important distinction follows from this. Whatever powers are conferred by private and local acts come not as rights, but as privileges; they are given or withheld at the discretion of the supreme power of the state. Powers conferred by an administrative department, on the contrary, ought to be conferred as a right on all parties demanding them and complying with the conditions required by law. The Limited Liability Act may illustrate this. Until the last session of parliament, commercial companies with limited liability of shareholders were unknown to the general law of England; but as their usefulness was manifest, parliament hit on the ingenious device of empowering the Board of Trade to grant, at its discretion, a charter of special exemption from the law to any particular company. Thus was revived that dispensing power which the Bill of Rights declares to be dangerous to the constitution. The Limited Liability Act, however, has dispensed with this dispensing power, by empowering companies to obtain charters of limited liability, not from the Board of Trade, but from the Registrar of Joint Stock Companies, and not as a favour but as a right. The *function* of the Board of Trade, in this case, has been transferred

to the Registrar of Joint Stock Companies, but the *power* to the nation, on account of whom it may concern.

The foregoing remarks will make it evident what the system of procedure must be under the proposed Department of State. Let any individual or company, proposing to execute a public work for which the power of compulsory purchase is needed, prove to the satisfaction of the proposed department: 1. That the intention to execute the work is *bona fide*; 2. That the capital for the work is forthcoming; 3. That the work will be a public benefit, (as all railways and most other public works must necessarily be, whether they benefit the parties making them or not); 4. That provision is made for compensation, in money or otherwise, where private rights are interfered with; and 5. That no public rights, such as roadways or drainage, shall be injuriously affected. On proof given of these allegations, let the necessary powers be conferred. It would be an incidental, but very important result of this method of proceeding, that all preliminary enquiries might be made not at Westminster, but at the most convenient locality for each separate case. Should the Liverpool Dock Trust, for instance, seek for additional powers, the necessary inquiry as to the facts might be held by a commission sent down to Liverpool for the purpose, instead of bringing up the witnesses and solicitors to Westminster. This mode would enable the business to be done at much less expense, and also better; for any inquiry concerning local matters can be best made on the spot. The commission might act as a view-jury, if necessary.

The Department of State ought to have no discretionary authority as to giving or refusing powers, but merely as to judging whether the party seeking them has complied with the demands of the law. Its character and functions ought to be made as nearly judicial as possible; though it would probably be impossible to deprive it altogether of an administrative character, and to confine it to the office of merely deciding questions of fact and law. In the case of railway schemes interfering with each other, for instance, or with watercourses, the department might often be called on and empowered to mediate in a way that could not be reduced to a simple judicial decision. And it ought to have unlimited powers of inquiry into the affairs of all municipal corporations and joint stock companies; exercising, in fact, over their affairs the same supervision, though not the same control, as that exercised by the Poor Law Commission over the Boards of Guardians.

It may be urged that it would be ruinous to the shareholders to give railway companies, as I propose, the power of constructing lines on merely proving that they are in a position to undertake them. Shareholders would, however, be much more benefited by the institution of a Department of State that would be able to call their directors to account, than they would be injured by any increased facilities for entering on new enterprises. I am, besides, strongly inclined to agree with a writer in the *Edinburgh Review*,* who

*“*Railway Morals and Railway Policy*,” published in the number for October, 1854, probably by the same author as the article already referred to, on “*Private Bill Legislation*.”

maintains that old companies ought to be absolutely prohibited from undertaking new enterprises. Were so stringent a restriction to become part of the law, they ought still, probably, to be permitted to add to their capital account for the purpose of completing the original undertaking, by constructing enlarged buildings, adding to the rolling stock, &c., and perhaps making short branches and junctions; and in this case the proposed Department should have power to decide what works ought to be regarded as belonging to the original undertaking. At any rate, the proposed Department ought to have the power, now possessed by Parliament acting in its committees, of sanctioning any addition to the capital account of a joint stock company. It is difficult to see why, on general grounds, every company should not have full power to add to its capital account without reference to any external authority. But I believe every practical man will agree that so great a power, and so liable to abuse, cannot safely be entrusted to companies without a check; and I propose to place it under precisely the same safeguards as that of compulsory purchase. Let a company desiring to add to its capital, prove before the proposed Department that the proposed expenditure is of such a kind as makes it fairly chargeable to capital, and that the proposed addition to capital is not more than is required for the purpose:

I have now gone over the principal kinds of powers that companies are in the habit of seeking from Parliament. These are:—1st. Corporate powers; I have quoted precedents to show that our laws already recognize the principle of permitting both companies and municipalities to incorporate themselves, instead of asking for corporate powers as a favour. 2nd. The power of compulsory purchase; and 3rd, that of adding to a capital account. I have explained the manner in which I would have the authority to confer these powers transferred from Parliament to a Department of State.

There are, besides, various special powers that companies often apply for; of which the most important, perhaps, is that of one railway company to run its carriages on the lines of another company, technically called "running powers." These exist in some places and not in others, as companies have succeeded in getting them introduced into their acts. And I believe it cannot be denied that this want of a legally established uniform system is a chief cause of the unsatisfactory administration of the English railways. Government, which is often more enlightened than the people, or at least than the "great interests," attempted, in 1853, to empower the Railway Department of the Board of Trade to compel different railway companies, for the public convenience, to make working arrangements with each other—to compel one company to accommodate the traffic of another. Had this project succeeded, it would have been tantamount to giving universal running powers, but without their inconvenience and danger. For it is evident that if a company owning a branch line, for instance, might compel the company owning the trunk line to give every facility to the traffic of the former, the result would be the same as if the branch company possessed running powers over the trunk line; and Government proposed to make the application of this principle general instead

of partial, entrusting the railway department with its application to particular cases. This is an instance of what ought to be done in every case where it is usual to apply to Parliament for special powers of any particular kind.

What has been said of the relation of joint stock companies to Parliament applies, with some modifications, to the relation of the municipalities to the same. Municipalities, like companies, are very often obliged to apply to Parliament for new powers. Many of these ought to belong to every municipality without reference to any external authority whatever; as, for instance, the power to construct markets, gas-works, and water-works, and to divert water-courses within its jurisdiction—a power often needed for the purpose of drainage. The tendency of our recent legislation, though feeble and hesitating, has tended to confer such powers. But the power of making compulsory purchases of property should be exercised by municipalities, under the same safeguards as by companies; and the power of borrowing money on the security of the corporate property or the local taxes, which is a similar power to that of a company to increase its capital, ought to be subject to the same safeguards.

Any municipality proposing to execute a work that requires powers of compulsory purchase, ought to prove before the proposed Department of State: 1st. That the intention to execute the work is *bona fide*; 2nd, that the capital for the work will be forthcoming; 3rd, that it will be a public benefit, and not a job; 4th, that it will be a *bona fide* improvement, such as the widening of streets or the improvement of drainage, and not a mere speculation in the purchase of land, or otherwise, in hopes of future profit; and 5th, that public rights will be protected, and private interests compensated, as in the case of similar powers being conferred on a company. On proof given of these allegations, let the necessary powers be conferred.

A municipality proposing to obtain borrowing powers should be subject to the same conditions. Let proof be given, as in the case of a company desiring to add to its capital,—1st, that the proposed expenditure is of such a kind as makes it fairly chargeable to capital,—and 2nd, that the proposed borrowing powers are not greater than are required for the purpose. On general grounds it certainly would seem that every municipality ought to have power to mortgage its own revenues; yet it would no doubt be dangerous to give so great a power without check or safeguard.

Another safeguard there ought to be. Corporations ought to be absolutely prohibited from borrowing money except on one defined form of security: and this ought precisely to resemble consols, except that the money ought to be always borrowed at par. This is a subject of very great importance. At present the borrowing powers of the various corporations are defined by a great variety of local acts of parliament, and with as unsatisfactory a result as the variety of private acts that define the relation of the various railway companies to each other. The present financial dead-lock of the Belfast Town Council, which at a distance may be easily mistaken for insolvency, is purely the result of a legal perplexity.

A part of the town debt consists of bonds that lately fell due. The Act under which the debt was created provides for the renewal of these bonds as they fall due ; but a legal doubt existed whether it conferred power to renew them at a higher rate of interest than that which they originally bore; and in the present state of the money market it is impossible to renew them except at a higher rate of interest. They have consequently remained for some time unpaid.*

Another portion of the debt of the Belfast Town Council consists of £36,000 overdrawn at their bankers—a proceeding of doubtful legality, but not severely to be censured. In addition to this, about £47,000 has been borrowed without parliamentary authority, or even the formal sanction of the council itself, on debentures bearing merely the treasurer's receipt, and the signature of any three members of the council. I am a burgess of Belfast, and have formed my opinion of the character of this transaction; which however it is unnecessary to state here, especially as the debentures now appear not to be worth the paper on which they are written.

It is evident that neither of these deplorable occurrences—the failure to pay the bonds, and the creation of illegal debt—could have taken place, had it been the general and understood law that corporations could contract debt in only one form, and that similar to consols. Another misfortune has befallen Belfast, which would have been impossible had a Department of State existed like what I propose, for the supervision of local affairs. A sum of £50,000 has been borrowed under an Act of Parliament, for the construction or purchase of gas works, and applied, instead, to the purchase of land and the formation of markets. This violation of the Act was censurable, but in no degree criminal : it is, I believe, a similar case to that which brought the Corporation of Dublin into legal difficulties some years ago. The Lord Chancellor has decided that the members of the Town Council who sanctioned this illegal expenditure are liable for the repayment of the money, but entitled to the value of the property therewith created as a set-off. It is evident that no men would have ventured thus to expend money illegally, had a Department of State been in existence that might have called them to account; and it would also compel the keeping of regular municipal accounts. The Belfast Town Council was some years without publishing an intelligible financial statement; and its real financial state was known to but a few. Jobbing enough there may be by some Boards of Guardians, but the mere existence of the Poor Law Commission is sufficient to prevent such transactions as those which have brought the affairs of Belfast into confusion.

Borrowing powers, and powers of compulsory purchase, are the principal ones which municipalities seek from Parliament, and which I propose to transfer to an administrative department. Another important class of powers is that which affects the limits of jurisdictions. I would endow the proposed department with power to hear and grant petitions from corporations for an enlargement of their boundaries, as the towns extend; for the erection of towns

* Since the foregoing was written, the difficulty has been removed by a decision of the Court of Queen's Bench.

into separate counties; for the union of contiguous boroughs like Manchester and Salford; and for the fusion of separate administrations within the same town, such as the Belfast Town Council and the Belfast Water Commissioners.

The formation of a Department of State, like that which I have described, would be a great measure of administrative reform, of parliamentary reform, and of municipal reform, all in one. Of parliamentary reform, because it would set the time of parliament free for public business; of administrative reform, because the work now done in parliamentary committees would be better done by men trained to it, paid for doing it, and acting under a defined system of law; of municipal reform, because the proposed Department of State would give us what we have not and greatly need, an effective control over municipal administration, while the powers of the municipalities would be at once enlarged and defined. Far more real would these reforms be than those clamoured for by men who talk of administrative reform, meaning the substitution of adventurers for aristocrats in our public offices—of parliamentary reform, meaning the enfranchisement of the uneducated classes—and, in their zeal for popular government, have lost sight of the municipalities altogether.

I do not seek to disguise the fact, that the change I propose would be politically very important; chiefly as giving a great increase of power to the municipalities. For the proposed Department of State, according to my project, should not have authority to refuse any application from a municipality for power to execute improvements or borrow money, but only to decide whether the municipality proposing to do so complies with the terms of the law: so that the municipalities would have powers universally which are now only conferred by Parliament in special cases. The change, however, would be less in magnitude than appears from this way of stating it; for those powers are, at present, usually conferred by Parliament almost as a matter of course, when a sufficient case for them is made out; so that the change would be as much in the mode of obtaining these powers as in the extent of the powers themselves. Yet it would be a great increase of real power, for municipalities to possess within themselves that authority to execute town improvements and borrow money, for which they are now obliged to apply to Parliament in every separate case.

I fear that public opinion, in this country at least, is not yet prepared for any such increase of the powers of our municipalities and the efficiency of our municipal system. There are a great many who have no idea of preventing abuses except by limiting powers. The Town Council of Belfast, at least, and possibly those of other boroughs, has grossly betrayed the trust placed in it, and disappointed the expectations of the authors of the Municipal Reform Acts: and it does certainly, at first sight, appear a paradox to say that we ought to increase the powers of corporations which have shown themselves unworthy of the very limited powers they already possess. It is not, however, more paradoxical than the principle on which Sir Robert Peel acted with success, of meeting a declining customs revenue with a reduction of duties, and drawing an aug-

mented public income from diminished rates of taxation. I believe that by enlarging the powers of the municipalities we should attract a superior class of men into positions of civic dignity and usefulness, and thus obtain one of the most important of all possible guarantees for good, or at least honest, administration. There are few places where the details of municipal administration are worse attended to than in many of the London parishes, entirely owing to the insignificance of the vestries and paving boards which, till now, have formed their apology for a municipal system. A municipality for all London, on the contrary, would be the second public body in the kingdom, and would attract into itself men of superior position and abilities, and we may reasonably hope that the newly constituted Metropolitan Board of Works will realise this prospect.

Another safeguard would be contained in the fact, that every municipality would know the extent of its powers. These would be defined in general acts, instead of local ones; and the municipal authorities would have to keep their attention on matters at home, and make the best use of their powers, instead of being able to neglect the improvement of their towns on the pretext of want of sufficient powers, and then perpetrating gross jobs in the form of applying for local acts.

The most important safeguard would be afforded by the existence of the Department of State to which I propose to transfer the local jurisdiction of Parliament: for it would supply a constant supervision over municipal affairs, which parliamentary committees cannot supply under any modification whatever.

One power ought to be withdrawn from the municipalities—that of valuing premises and keeping the burgess list. There ought to be only one valuation in the kingdom for all public purposes, whether of taxation or voting, and that ought to be kept by Government: and on this all franchises ought to be based. This would be more than a merely administrative reform; it would prevent the possibility of gross political abuses. It is necessary to the possession of the municipal franchise, that all taxes should have been paid: and every one in Belfast is aware that the tax collectors for many years acted as political agents to the dominant party in the council, not only directly at the registration of burgesses, for which their knowledge gave them peculiar qualifications; but also by carefully omitting to collect the taxes of those who were known to belong to the opposite party, until they were too late for the registry. These practices, till very lately, were successful in making the Belfast Town Council no better than a close corporation; and without them the reckless financial system I have spoken of could not have been maintained.

I believe no one who has any knowledge of the subject, and regards the good of his country, can deny that the greater part of the private and local business of Parliament ought to be transferred to some more suitable jurisdiction: but there will probably be great diversity of opinion as to the way in which this is to be done. I think I have shown that the best way would be to transfer it to a Department of State, of course independent of the ministry for the time being. A somewhat different plan was recommended by

Committees of both Houses of Parliament in 1846. This was to have the Committee-work only done in a separate office, and the assent of the two Houses and of the Crown still required, as at present. This would realise the greater part of the proposed advantages, and would not offend the usual prejudice concerning the privileges of Parliament. But I see no valid objection, and much substantial advantage, in transferring the whole business to an independent department:* for it is a generally received principle, that in every parliamentary constitution there ought to be an Upper House. A municipality is a small Parliament: but the materials for local Upper Houses scarcely exist. Under the proposed system, however, the central government would be the Upper House of every municipality. It is true that the British people have a somewhat superstitious prejudice against the creation of new Departments of State. But, in so far as this is a mere prejudice, it can be easily evaded by endowing the old departments with new powers; and, on the merits of the case itself, the best way will probably be to transfer that part of the business of Parliament, which has to do with railway and other companies, to the Railway Department of the Board of Trade; and the municipal part of the business to the Home Office for Britain, and to the Irish Secretary's Office for Ireland.

The advantage of a really efficient municipal system is a vast subject, to which now, at the end of my paper, I could not possibly do justice.

III.—*On the Advantages of Policies of Insurance terminable at the age of 63 or at death, instead of at death only.*—By W. Neilson Hancock, LL.D.

[Read April 21st, 1856.]

THERE are few of the institutions of modern civilization more important in their effects on the well-being of society, than the system of Life Insurance.

By means of insurance, duly proportioned, the productive members of each family are enabled to make a certain provision for all their relatives, whose support would be placed in jeopardy by their death. This notion of life insurance being the means of discharging a solemn duty is most important to keep in view, as it teaches those who propose to effect insurances to look to the safety of the companies on which they rely for enabling them to discharge their duty—to avoid Mutual Insurance Companies, and Participation in Profits; as no bonus, or increase on the sum insured, is, to those who insure from the highest motives, equivalent to the slightest risk

* For information concerning the Resolutions of these Committees, see the article on Private Bill Legislation already referred to.

of failure in the sum required for the discharge of the duty of providing for their relatives.

The common mode of life assurance is subject to one defect. If the insured should happen to attain a considerable age, he changes, as time advances, from being a productive member of society, to a state of inability for laborious exertion. His duties generally change too; the relatives whom he was at first bound to support have either died already, or have become themselves productive members of society, or have passed by marriage to the care and protection of others. Thus, men of advanced life often require assistance instead of being bound to give it; and the longer they live, the more they require to be supported and the fewer claims have others upon them. Now, by the common mode of insurance, the same premium continues payable every year until death, and the sum assured cannot be realized until that event.

To avoid the burden of paying premiums in old age, tables have been calculated of premiums payable for a fixed number of years, after which no premium is payable. This, however, is obviously only a partial remedy; it removes the burden, but does not provide assistance.

The further step, of making the sum assured payable when old age makes any payment of premium a burden, has been provided for by other tables, which show the rates of insurance payable upon policies effected at each year of age, for a sum of money payable at a specified year of age, or at death, if it should happen sooner.

The specified ages in the tables for which calculations are made, are fifty, fifty-five, sixty, and sixty-five, and there is no principle stated by which any one can be guided in determining which of these ages to fix upon.

It is obvious that as the scheme of insurance proposed in these tables is intended to provide against a contingency in human affairs, the age to be specified is not arbitrary, but can most probably be discovered by consideration. And the object of this paper is to show whether the exact age can be fixed.

Now there are many indications of human life being divided into periods of seven years; and the most remarkable of these divisions are twenty-one, (three times seven), the legal period of manhood; and sixty-three (nine times seven), the grand climacteric of human life, beyond which the majority of mankind cannot be certain that their powers of active exertion will be so strong as to be entirely relied on.

A distinguished French philosopher, M. Comte, has elaborately investigated this septennial theory. He shews that the most natural period of marriage among men is from twenty-eight till thirty-five, and that marriage at that period allows of children being well reared before sixty-three; at which period he thinks men more suited for dignified and easy labour—advising and guiding the rising generation, rather than being themselves engaged in the more severe pursuits of active industry. The period that he has fixed on coincides with the old notion of sixty-three being one of the grand climacterics of human life, and with the medical theory of a change

in the constitution taking place at that age. In a fragment of Solon, contained in the *Stromata* of Clemens Alexandrinus, the septennial theory is noticed, and the age of marriage stated at the same period as by Comte. Solon also states that sixty-three is the commencement of the final period of life.

For the purpose of life insurance, it may be safely stated that sixty-three is in general the most suitable age to fix on for the termination of paying premiums, and for the payment of the sum assured. Mr. Wilson, one of our members, and Manager of the Patriotic Assurance Company, has accordingly calculated a table of annual premiums payable on a policy effected at each age to insure £100 at sixty-three, or at death, if it should happen sooner; and a comparison of this table with the ordinary table will show for what a slight increase of premium an insurer can combine a provision for himself, if he should live beyond sixty-three, with a provision for his family should he die before that period.

I may notice, as an advantage of the method of insurance to which I have directed attention, its peculiar applicability to one of the largest classes of insurers—those having permanent appointments in the public service, with retiring allowances less than their salary. The common method of insurance must operate as an impediment to officers retiring on such allowances, as large premiums of insurance operate as a serious deduction from their pensions; but the payment of the sum assured at sixty-three would, in the case of large insurances, make the retiring allowance, with the interest of the sum assured, nearly equal to the salary with the premium deducted. A banker has called my attention to the advantages of such insurances as a security for advances to men in business. Such advances are generally safe so long as the head of the firm continues able to actively watch over the details of the business; but the greatest risk to bankers is in continuing advances when the business is carried on by a man advanced in life, who is gradually becoming less and less able for active superintendence, and whose successors or subordinates may not be equally trustworthy.

APPENDIX.

Rates by Annual Payments for an Assurance of £100, to be paid to the assured on attaining the age of 63, or to his heirs at his death, if it happen sooner.

AGE NEXT BIRTHDAY.	ANNUAL PAYMENT.	AGE NEXT BIRTHDAY.	ANNUAL PAYMENT.
	£ s. d.		£ s. d.
21	2 1 5	32	3 0 9
22	2 2 9	33	3 3 0
23	2 4 2	34	3 5 7
24	2 5 9	35	3 8 4
25	2 7 4	36	3 11 4
26	2 9 0	37	3 14 6
27	2 10 10	38	3 18 0
28	2 12 9	39	4 1 8
29	2 14 7	40	4 5 8
30	2 16 6	41	4 10 0
31	2 18 7	42	4 14 6

IV.—*Education the surest Preventive of Crime, and the best safeguard of Life, Property, and Social Order.*—By James Haughton, Esq.

[Read March 17th, 1856.]

THE fact that a very large proportion of our criminal population are almost wholly illiterate cannot be kept too constantly before the public mind. There is such an amount of apathy in relation to the real danger to life and property, arising from the almost barbarian ignorance in which great numbers of our people continue from the cradle to the grave, and such a general feeling of indifference is manifested by the more intelligent classes with regard to this wretched condition of so many of their fellow-men, that it is needful to keep continually driving, as it were, with the sledge-hammer of truth, into the hearts of the whole community, the sad revelations on this subject which are now brought to light from year to year, through various authentic sources of information. For, as it is by constant dropping the water wears away the rock, so it is by the reiteration of facts involving the safety of the social fabric, and the happiness of all the people, that an amount of active and intelligent public feeling sufficient to cope with any great public wrong is brought to bear for its removal.

A century or two ago, some dreadful calamity—the result of this indifference to which I am referring, and which had been growing and accumulating for a long period of time—was necessary to arouse men to a sense of their danger and their duties. A fearful plague told them that they were living in neglect of the sanitary laws which were necessary to ward off the calamity. A destructive fire, destroying life and property to a great amount, declared in language not to be mistaken that houses built of wood and thickly huddled together, were a violation of the natural laws, and must be got rid of. In more modern times, fever and cholera have frequently proved a scourge to all classes, because of our inattention to those laws which would prevent their frequent recurrence, or their fearful violence when they do visit us.

Unwillingness to be taxed for such a useful purpose as the prevention of disease is anything but a wise economy.

In the present day we are not, perhaps, quite so thoughtless of such matters as our forefathers were; yet still an amount of apathy prevails which is discreditable to our age, and which is continually bringing deserved punishment in its train. On no other question than the one I now again bring under the notice of our society, is this want of intelligent forethought more to be deplored or more to be condemned. We have advantages which our forefathers had not, and which render our neglect of duty quite inexcusable: these are, abundant statistics proving the intimate relation between crime and ignorance, and the fullest publicity given to statements of various undoubted authorities on the subject.

Having in former papers laid before you statistics of crime taken

from our Metropolitan Police Report, I purpose in the present paper to furnish you with some details taken from "The Thirty-third Report of the Inspectors-General on the General State of the Prisons in Ireland, 1854;" and from other sources also. These will show, quite as forcibly as my former statements of a local character, that crime and ignorance stand in intimate relation towards each other throughout the country at large:—

Prisoners committed in Ireland in 1854.			
For Felony	--	--	7,060
„ Petty Larceny	--	--	9,875
Misdemeanors	--	--	11,570
Under Revenue Laws	--	--	363
„ Poor Law Act	--	--	1,370
Deserters and Court-Martial	--	--	236
Under Vagrant Act	--	--	10,914
Drunkards	--	--	10,481
Lunatics	--	--	576
			<hr/> 60,445

Of these, the condition as regards education is stated to be as follows:—

35,307 wholly illiterate.
12,947 could read and write.
10,219 could read only.

Such is the lamentable condition of our prison population. It is not stated in the Report that any of them are really educated men and women in any true sense of the term; yet it will be perceived that even the small amount of education indicated by the terms reading and writing, has a strong tendency to guard our people against the commission of crime. It affords me great pleasure to be able to state here, that but one sentence of death is recorded in Ireland in the year 1854.

It thus appears that education is an unspeakable blessing to its possessors; and that, to the community at large, it is the surest safeguard to life and property. In speaking of education, I would not be understood as confining the idea to the simple acquisition of school knowledge, such as reading, writing, and cyphering; or even the higher branches, geography, astronomy, and the various sciences. I include a practical knowledge of the arts of life, whereby men obtain their living; and of domestic economy, which teaches women how to make home attractive. These should be held as of equal value with literary attainments; but both should go hand-in-hand together. The manufacturing community at Lowell, in the State of Massachusetts, in America, affords a striking evidence of the value of this combination of industry and intellectual pursuits. I give the following interesting account of the young women employed there. It is striking and pleasing evidence of the value of making intelligence and cultivation of the mind auxiliary to manual labour:—

THE FEMALES OF THE LOWELL FACTORY.

In the state of Massachusetts, situated at not a great distance from Boston, is a large manufacturing town named Lowell. As the falls of the rivers Merrinack and

Concord afford a natural moving power for machinery, the banks are occupied by ten companies, working thirty cotton mills, and giving employment to more than ten thousand operatives, of whom about seven thousand are females. Many of these females come from a distance; they remain at Lowell only for a limited time, and live in boarding houses expressly provided for their accommodation. They are engaged in manual labour twelve hours a day. But it is the custom of a goodly number of them to devote two hours in the evening, after eight o'clock, either to private reading or study, or to meetings for mutual instruction and profit. Some of them have a taste for writing; and in the year 1840 they commenced a periodical work entitled 'The Lowell Offering.' They evidently think it *an honour to be engaged in useful labour*, and recognise the real dignity of all useful employments.

There are two classes of persons to whom the case of the Lowell girls should afford instruction and encouragement. Those who are engaged in factories and similar establishments may learn that their strength, as well as their happiness, lies in the cultivation of their minds, and that the labours in which they are engaged need not interfere with that cultivation. And those who are employers of operatives, and all persons of wealth and influence, may learn that 'tis their duty, and that it will be to their interest, to provide as far as possible for the mental culture of the working classes. And they may take encouragement to do this from the consideration that a strict and diligent performance of daily duties is not incompatible with the exercise of mental faculties, or with the gratification of those tastes which are not, and which cannot be, limited by rank and station. In proportion as the operatives of our country are elevated in mental cultivation, will they rise superior to the temptations by which they are surrounded, and advance in moral excellence.

The following are extracts from a letter addressed by Miss Martineau to the editor of 'Mind among the Spindles,' one of Knight's Weekly Volumes, which contains selections from the Lowell Offering:—

"My visit to Lowell was in company with Mr. Emerson's party—he being engaged by the Lowell factory people to lecture to them in a winter course of historical biography. The girls were then working seventy hours a-week; yet as I looked at the large audience, I saw no signs of weariness among any of them. There they sat, row behind row, in their own Lyceum—a large hall, wainscoted with mahogany, the platform carpeted, well lighted, provided with a handsome table, desk, and seat, and adorned with portraits of a few worthies; and as they thus sat listening to their lecturer, all wakeful and interested, all well dressed and lady-like, I could not but feel my heart swell at the thought of what such a sight would be with us.

"The difference is not in rank, or amount of wages, or toil, but in their superior culture. Their minds are kept fresh, and strong, and free, by knowledge and power of thought; and this is the reason why they are not worn out and depressed under their labour.

"At Waltham, where I saw the mills and conversed with the people, I had an opportunity of observing the invigorating effects of the MIND on a life of labour. Twice the wages and half the toil would not have made the girls I saw happy and healthy, without that cultivation of mind which afforded them perpetual support, entertainment, and motive for activity. When evening came, nothing was heard of tired limbs and eagerness for bed; but, if it was summer, they sallied out the moment tea was over for a walk; and, if it was winter, to the lecture room, or they got an hour's practice at the piano, or wrote home, or shut themselves up with a new book.

"Many a clergyman in America has been prepared for his function by the devoted industry of sisters; and many a scholar and professional man dates his elevation in social rank and usefulness from his sister's, or even some affectionate aunt's, entrance upon mill life, for his sake. Many girls, perceiving anxiety in their fathers' faces on account of the farm being encumbered, and age coming on without release from the debt, have gone to Lowell, and worked till the mortgage was paid off, and the little family property free. Such motives may well lighten and sweeten labour; and to such girls labour is light and sweet.

"Some who have no such calls unite the surplus of their earnings to build dwellings for their own residence; six, eight, or twelve living together with the widowed mother or elderly aunt of one of them, to keep house for, and give countenance to the party. I saw a whole street of houses so built and owned, at Waltham; pretty frame houses, with their broad piazzas and green Venetian blinds.

"In the mills the girls have quite the appearance of ladies. They sally forth in the morning with their umbrellas in threatening weather, their calashes to keep their

hair neat, gowns of print or gingham, with a perfect fit, worked collars or pelerines, and waistbands of ribbon. For Sundays and social evenings they have their silk gowns and neat gloves and shoes. Yet, through proper economy—the economy of educated and thoughtful people—they are able to lay by for such purposes as I have mentioned above. The deposits in the Lowell Savings' Bank were, in 1834, upwards of one hundred and fourteen thousand dollars, the number of operatives being five thousand, of whom three thousand eight hundred were women and girls.

"There is nothing of good in this system which may not be emulated elsewhere, equalled elsewhere, when the people employed are so educated as to have the command of themselves and of their lot in life."

Such a happy condition as is here described cannot be realized in these countries, until both employers and employed receive a higher or more enlarged education, and are, early in life, impressed with the idea that, just in proportion as the moral and mental faculties are brought into harmonious action with our daily duties, will be the amount of comfort and happiness diffused abroad, and also the increase of pecuniary gains to all, in the individual and national accumulation of capital.

There is much evidence in the Report of the Inspectors-General in proof of the position I have laid down, that education is the surest preventive of crime; indeed, the statement is now so generally admitted, it would seem to be almost a work of supererogation to press it on your notice; yet, for the reasons already stated, it is necessary to keep it continually before the public mind. I find in the Report the following striking statement:—

In many of our gaols, for instance, after deducting the debtors, the lunatics, the sick in hospital, the convicts, who are liable to be transferred to government depots at a moment's notice, the infirm or cripples who are incapable of work, and those who are sentenced to hard labour, and who are required for the daily duties, such as cleansing, raising water, grinding corn, &c., there are few or none left available for education in skilled labour; for it is a remarkable fact, which we have already touched upon in previous reports, that among those who are *already so educated*, even rudimentally, an almost entire immunity from crime prevails—the number of such offenders being disproportionately small, and some of the trades which they profess not being of such a character as to be exercised and turned to account within the walls of a prison.

Thus, on the 1st of January, 1855, in an aggregate of males of all classes in confinement, amounting to 2,960, there were but 180 *who had been trained, previously to their committal, in any kind of handicraft, however simple and rude*, such as mat-making, lath-splitting, &c; their distribution among the provinces being as follows:—

Leinster	76
Ulster	55
Munster	37
Connaught	12

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These items are given under the head of "Industrial Instruction," and the italics, which are the inspectors', evince their anxiety to attract particular attention to those important facts.

Under the head of "Educational Instruction," I find similar forcible statements. They say:—

It must not be understood, however, that we insist on a very high grade of acquirement; but we would confine ourselves to urging that the masters should, in every case, have been systematically taught the art of inculcating knowledge, so as to be enabled to grapple with the obstructions which are universally encountered in the education of prisoners. Firstly, a large proportion of offenders, amounting to *considerably more than a moiety*, are wholly illiterate, &c.

They recommend that all our prison schools should be placed under the superintendence of the National Board, so that one system of education shall be pursued in all. This appears to be a wise suggestion.

They find out that as age advances from childhood, there is a steady progress in corruption and depravity: the criminals between sixteen and twenty-one years old being nearly three times in number those under the age of sixteen.

As gravitation accelerates the speed of falling bodies, so the influence of evil habits propels man, with growing force, downwards in the career of crime. Intemperance, the spawn of ignorance, produces like results, and is the second most palpable source of crime. I proved to you, in a former paper, that the appetite for alcoholic poisons accumulates with such powerful energy, that within the past century, growing more and more craving as each decade of years rolled on, it increased the consumption of whiskey in Ireland ninety-fold, while the population increased but four-fold. A proper education would be a good counteracting force to this evil.

In speaking of the two classes of criminals referred to, those under and those above sixteen years of age, and with a view to prevent the rapid increase of criminals, the Inspectors say, "such means of repressing the guilty tendencies should be afforded by reformatory institutions, and brought to bear upon those who have already entered the primary category—that is, the early stage of crime; but, assuredly, public duty and interest demand that they *should not be suffered to enter it at all*, and that they should be arrested at the first step in the downward path of destruction."

Ragged schools and other preventive means are referred to; but as a reference to the one great preventive, without which all others must ever prove of little value, is entirely forgotten or omitted, I beg to supply it. The universal public voice, or at least such a majority as would command respect and attention, must demand the legislative suppression of the liquor traffic. So long as it shall be permitted to shed abroad its deteriorating influences, it will be impossible to plant deeply in the human mind a love for elevating influences, and man must continue a grovelling and a criminal animal.

Rev. J. Saunders, Missionary, New South Wales, says (and all experience proves that he says truly), "No reformation of criminals will be effected until spirits be prohibited. There will be no end of penal discipline until the people are reformed at home. All, *i.e.* nearly all, our prison population, come out of the ale barrel, the porter vat, and the spirit cask."

Mr. Warren, Recorder of Hull, stated in a late public address, that, so far as he knew, no teetotaler had ever been brought before him for any crime. Intemperance and ignorance were the two great social evils.

Justice Brown of America says, "I believe there has never been before me a single total abstinence man, for any offence whatsoever. These *fanatics* somehow keep marvellously clear of the criminal calendar."

All evidence bears me out in the opinion, that until we educate all classes up to the point of an entire disuse of alcoholic poisons, we shall strive in vain to close the flood-gates of crime, or give adequate security to life and property, or lay a good foundation for virtue and rectitude of character.

Leaving the Report of the Inspectors General of Prisons, which abounds in suggestive and valuable statistics, I transcribe the following statement, confirmatory of all their opinions in reference to the subject I am bringing under your notice, from the Report of James Kavanagh, Esq., Head Inspector, to the Commissioners of National Education for the year 1850:—

Prison Schools.—The only Prison Schools in Ireland connected with the National Board are five, and all of these are in my circuit; those in Galway County Prison, Galway Town Prison, Ennis County Prison, and two in Cork County Prison. I visited all of these; the first two in November, 1848, and the other three last year. There was no school kept in either of the first two when I visited, owing to the overcrowded state of the prisons; they never had any regular teachers; a turnkey, who was quite incompetent, taking the duty in each of them. In the County Prison there were 87 under sentence of transportation, 50 of whom were for sheep and cow stealing. The prison was built to accommodate 110, but the numbers in it sometimes amounted to 1,000 persons. I went through the entire of the prisoners with the Governor, and, aided by an interpreter (as numbers spoke no English), made notes of the extent of education and intelligence of most of the convicts. There were 11 of those under sentence of transportation, only one of whom was over 15, and some were not over 12, years of age. Not one of these could read, scarcely one of them had ever been within a school; not one of them knew the elements of religious knowledge, and several stated they were 'glad to be transported,' although they had no idea of where they were going. The ignorance and want of intelligence of the female prisoners was painful to witness; four of them told me they stole clothes *publicly*, in order to get into prison, that they might be supported, so acute was their hunger and suffering. Of 22 convicts from the town prison, 15 were under 20 years of age; and of the entire number, 2 could read and write, and 4 could read only, the remaining 16 being quite ignorant. Three of them were women who *requested the Judge to transport them*. In Ennis Prison there is a special teacher, but, owing to the overcrowded state of the house, school was suspended for the four months previous to my visit, and, during this period he was employed as a turnkey. The gaol was built to accommodate 115, but there were then in it, and in an Auxiliary Prison fitted up in the town, 540 persons. I examined 25 of the younger of the 92 female prisoners in the presence of the matron and of the governor, and not one of them could read correctly a single sentence in the *Second Book of Lessons*. One of the two schools supposed to be kept in the Cork County Prison (that at the female side), has not been in operation for years. The other is taught for a few hours a day in the prison chapel by one of the turnkeys; he has no pretensions to any qualification for the office, beyond being able to read and write. Out of 1,058 prisoners on the day of my visit, 28 only were on the school list. The industrial department in the Cork County Gaol is admirably managed.

I have also visited for each of the past four years the Convict Depot at Spike Island, in the Cove of Cork, and at which a large school is kept. It is not connected with the National Board. The Governor is very earnest and anxious in the cause of education.

Although conclusions deduced from statistical returns connected with crime and education in Ireland, for the past years, should be received with great caution, owing to the entire social derangement of the greater part of the country, no one who visits and examines the Gaols and Workhouses can have any doubt of the immediate connexion between ignorance and crime. To the young, to send them for a month to Gaol, or to the House of Correction, as these are at present circumstanced, is to send them to a training school to rapidly fit them for the convict ship, or for worse. An examination of the re-committals, and of the ages of the parties, will prove this point; and in England it appears that while those from 15 to 20 years of age form only *one-tenth* of the population, they form *one-fourth* of the criminals on the calen-

dar, or, two-and-a-half times what might be expected from their number. Would it not be a wise economy, as well as Christian benevolence, to try what might be done towards the establishment of efficient schools in the several prisons, with a view to prevent as well as check the spread of crime?

In relation to the interesting question I am now bringing under your notice, it is gratifying to find that in proportion as public attention has been turned to the subject, in proportion to the liberality of Parliament in furnishing increased funds for educational purposes to the Commissioners of National Education, has been the decrease of crime in Ireland.

It might not, perhaps, be rigidly correct to assume that to this one cause alone is owing the happy change that has taken place in our affairs within the few past years; yet it has been, no doubt, one great means of producing these, and the further good results presently to be noticed.

In the Report of the Inspectors-General, before quoted from, we find (page 1) the following observations and statistics:—

“Throughout the five Annual Reports in which we have been associated, we have not failed to measure the rise and fall of prison population from the year 1846, in which the famine and its consequences first began to affect injuriously our social system, up to 1850, the point of culmination, since which period a normal decline has been happily observable down to the present date, as evidenced by the subjoined tables:—

Year.	Total confined in Gaols.	Year.	Total confined in Gaols.
1846	43,311	1851	113,554
1847	76,685	1852	92,638
1848	97,959	1853	83,805
1849	112,478	1854	73,733
1850	115,871		

During the past year, for which returns are not yet made, it has been frequently recorded in our newspapers that the judges on circuit had very little to do in most of our assize towns.

While crime is happily found to be diminishing in Ireland, it is most painful to see it rapidly increasing in England.

In the *Times* of the 6th instant (March) I find it stated, on the authority of a Parliamentary Blue Book for 1854, that the increase of committals in England, in 21 years, is 8·5 per cent., and that for the 10 years previous it was 7·5; thus showing an alarming increase of over 15 per cent. within the past 31 years. I am unable to show how far this lamentable state of things is owing to the neglect of education; but I entertain no doubt that if the facts were before us, we should find that crime and ignorance there also go hand in hand. A large portion of the population of England, as well as of Ireland, are in such a condition of ignorance as casts a dark shade on the civilization of both countries, and is cause of serious danger to life and property.

The parliamentary grant for our present system of National Education was first given in 1833, when the sum voted for that purpose was £25,000. It has gone on increasing almost year by year ever since, until 1854, when, from Treasury issues and other sources, the Board had placed at their disposal the sum of £221,591 19s. 10d. The number of schools under their management in

1833 was 789, in which 107,042 children were received. In 1854, the schools had increased to 5,178, and the scholars to 556,551.

To come nearer home, we find the Board of Superintendence of the City of Dublin Prisons congratulating their fellow-citizens on the decrease of crime within our metropolis. They tell us:—

The aggregate number of prisoners in Richmond Bridewell in 1854 was 7287, being a reduction from 1853, of 1,400. And up to the month of August in 1855, the decrease of committals was in an even greater ratio. In Grangegorman Female Penitentiary similarly happy circumstances prevailed, all of which is given as decided evidence of the moral improvement of the country.

These facts may fairly be taken as collateral evidence, with the other statistics which I have given of a more unequivocal character, in favour of my position; and as transportation is at an end, and the ticket of leave system has so far proved a failure, it behoves us all seriously to consider what are the best means of lessening crime, and thereby giving the best possible protection to life and property.

If I have at all succeeded in impressing you with my convictions on this deeply important question, it follows that no pains we can take, and no expenditure of money which the country can afford, should be spared to impart the best possible physical and intellectual education to all our population. We should not be content with any measure short of the highest possible attainments in manufacturing, agricultural, commercial, and scientific acquirements.

I do not by any means imagine that a great number are likely to reach very high on the ladder of learning; but the best means we know of should be placed within the reach of all, and all should be guarded against the evils of complete ignorance. Men should be instructed in elementary learning; in such arts and sciences as their various condition in life and their tastes lead them to pursue. Women should, in like manner, have all needful knowledge imparted to them; especially a knowledge of domestic economy, which would enable them to make home the little paradise it ought to be. All should be so educated in elementary knowledge, as that higher branches would be within their reach, if circumstances permitted them to devote time to their study.

Self-respect is a feeling which should be, early in life, and always inculcated. This would guard against intemperance, and other crimes which degrade and dishonour our nature; and be a great preservative from the many social and moral evils we have continually to fight against.

A few extracts from Horace Mann's Report of the "Massachusetts System of Common Schools," for the year 1849,—which I happen to have in my possession—may prove an interesting conclusion to this paper. They will serve to shew the high estimation in which education is held by the intelligent people of that State.

Speaking of the wise regulations for public instruction made by the Pilgrim Fathers, from 1634 to 1642, he says:—

Thus were recognized and embodied in a public statute the highest principles of political economy and social well-being; the universal education of children, and the prevention of drones or non-producers among men. . . . In the year 1647, a law was passed making the support of schools compulsory, and education both universal and free.

Such was the wisdom manifested by the founders of the State, and it has been followed up by their successors. The Report further says:—

Every town containing 500 families must, besides the schools above mentioned, maintain a school to be kept by a master of competent ability and good morals, who shall, in addition to the branches of learning before mentioned, give instruction in the history of the United States, book-keeping, surveying, geometry, and algebra.

The schools of Massachusetts, therefore, are not merely *free*, but the towns have a right to make them as good and as numerous as, in the exercise of an honest discretion, they may deem expedient.

In describing the almost unparalleled prosperity of the State, he says,

One copious, exhaustless fountain supplies all this abundance. It is Education,—the intellectual, moral, and religious education of the people.

Massachusetts consists of fourteen counties; the population in 1849 was 737,700. The valuation of its property, 299,878,329 dollars. The number of the children in the State between four and sixteen years of age, 215,926; and the sum raised for their education, 836,070 dollars, being an average expenditure on each child of 3 dollars and 87 cents, or about 16s. 6d. of our money.

The population of Ireland by the last census was about six and a half millions. Supposing the children between four and sixteen years of age to be two millions, and that they received as extended and as liberal an education as is accorded to the children of Massachusetts, the sum we should have to levy for that purpose would amount to £1,650,000 a-year. At the present cost of our National schools, if all our children were educated, an expenditure of £700,000 a-year would be required.

Our ideas on the subject of education must be greatly enlarged, before even this sum will be voted by parliament to supply our wants, *to meet this really economical expenditure of the public moneys*; and yet, even that sum would leave us far behind our brethren at the other side of the Atlantic, in a just appreciation of the inestimable value of education.*

We cannot safely stop in the race of improvement; we must go onwards; and if the resources of our country be not wasted in degrading intemperance and in fruitless wars, we shall always have abundant means to supply the largest demands needed for education, refinement, and ever-growing civilization.

* While the people of Massachusetts have, by their intelligence and their industry, gained for themselves wealth, and in many respects, an honourable name, the mention of which affords me sincere pleasure, it is deeply to be deplored that such a people should lend themselves to the perpetuation of slavery in the Southern States of the American Union; or allow their minds to be impregnated with a bitter and unchristian dislike to the coloured population in their own and the other free states. These are dark blots on their escutcheon, which they must hasten to wipe out, or, in spite of their many good qualities, they will be deservedly looked upon and condemned in Europe, as a high professing people who lack manliness or courage fully to carry out their own principles in the practice of their lives. I would much rather praise than blame; but I am compelled to refer to this inconsistent conduct on the part of a people otherwise far advanced on the road towards a high state of civilization.

M. Demetz, one of the founders of the institution for juvenile criminals at Mettray in France, said, at a dinner at Birmingham a few months since, "De la bonne education de l'enfant depend la prosperite des états." The editor of the *Spectator*, in commenting on the proceedings, remarks, "When they have substituted schools in place of prisons for the young, they will have cut off the largest source of crime."

I have not referred as I should wish to do, to the popular feeling in favour of establishments for juvenile delinquents, the limits of my paper prohibiting me from entering on that question; and also because, however valuable these institutions may be,—and that they are most valuable in developing the kindly feelings of our nature I cheerfully concede,—it seems to me that until education shall be much more widely diffused, and our drinking customs totally abolished thereby, they will prove to be but weak instrumentalities for the prevention of crime. Ignorance, and intemperance which follows ignorance as its shadow, will continue largely to supply the raw material for benevolence to work upon.

Neither do I make much allusion to the question of education by the state. How far government should go—whether it should confine itself to affording a secular education only, or a secular and religious education combined—or whether instruction in manual labour and in household duties should be taught in conjunction with intellectual acquirements, through the instrumentality of a national system,—or, whether the state should interfere only just so far in these matters as might be considered essential to public safety,—all these considerations are of deep moment; but even if I were capable of solving them satisfactorily—which I feel sensible that I am not,—it is obvious that I dare not enter largely on them at present; I leave them to the combined judgment of our wisest men, being satisfied, for the present, with having done little more than bring them under the notice of this society, and, through its influence, drawn attention to them throughout a much wider circle. The question of education is again before parliament; as regards a general system for England, it is surrounded with difficulties, but these must be met and surmounted.

Our national system in Ireland has been productive of great good. I would extend its advantages by increasing its funds, and by constantly widening its sphere of influence. No limit in these respects should be put to its operations. My own conviction is, that in order to make the system more truly national—that is, to bring within its influence the entire population—the education in our national schools should be exclusively secular and industrial in its character. Religious teaching should be conducted by parents and guardians, and by the clergy in whom they have confidence. The adoption of this principle would, as it seems to me, be the surest means of supplying a truly religious education also; as all parties would thereby be stimulated to exhibit, by the effects of their zealous labours, the excellent results of their various teachings.

Manual labour for boys, and instruction in domestic economy for girls, seem to me essential for the promotion of virtue and happiness, and are therefore necessary elements of education suited for the pre-

vention of crime, and the protection of life, property, and social order.*

Note — Since I wrote the foregoing, I have met with the following extract from the last report of Mr. Greig, head constable of Liverpool. This, with the comments of the editor of *The Alliance and Weekly News* upon it, painfully confirms much of what I have now laid before you.

CRIME IN LIVERPOOL.

Mr. Greig, head constable of Liverpool, has just presented a report to his superiors, containing the following passage, which ought to be carefully reflected upon by all readers. He says :—“ I regret to say that there is nothing on the face of the tables in reference to crime which will afford ground for congratulation. There has been an increase of 578 in the number of apprehensions over the preceding year. This increase has occurred principally in the miscellaneous offences, whilst the higher classes of crime against person and property remain very much the same, there being, however, not fewer than 12 persons committed to the assizes for murder by verdicts of the coroners' juries, though on trial they were only found to be guilty of manslaughter. *There has been a marked increase in the apprehensions for drunkenness, there being 2,141 more than during 1854.* I may observe, in reference to the efforts of the police in connection with crime, that the number of apprehensions sufficiently attests their vigilance in that respect; *but such exertions as they can bring to bear on the morality of the criminal part of the community effect but little or no improvement.* This must be attained by other means, and no one would rejoice more than the police at the increase of ragged schools and other schools in our worst neighbourhoods, where not the intellect only, but the affections, would be reached. In offences by violence against the person, education is almost entirely wanting, there not being one person charged with shooting, violent assaults, &c., who can read and write well; whilst of 1,131, the number charged with common assaults, only one out of every 250 can read and write well. In the commission of certain offences, such as embezzlement, obtaining money by false pretences, and larcenies from offices, the per centage of good education stands high. Of the disorderlies, only one in a thousand can read and write well; of the drunk and disorderlies, one in two hundred; and of the drunk and incapable, 2½ per cent. can read and write well. But the degrading vice of intemperance is unhappily not confined to men, there being 3,617 drunk and disorderly females, and 1,203 drunk and incapable; making a total of 4,820 taken into custody during the year; but it is right to add that the number of apprehensions for the various offences does not represent so many persons, in many cases the same individual having been in custody again and again. During the year 103 boys and girls under ten years of age were taken into custody by the police, two of whom destroyed their companion, and afterwards threw his body into the canal, whilst a very large majority of the rest were charged with serious offences. There were 251 boys and girls, between 10 and 12 years of age, charged with stealing, &c.; 756 boys, under 18 years of age, were charged with being drunk and disorderly; and 12 girls, under 15 years of age, were charged with the same; whilst, from above 15 years, and not completing 18, there were 642 females taken into custody for being drunk and disorderly. This will go far to show that females are led into habits of intemperance at an earlier age than males, as it will be seen that, of the entire number of females charged with drunkenness, nearly one-half are under 21 years of age. The more one looks into these tables, the more evident it is that the fruitful sources of crime are drunkenness and ignorance. In fact, *drunkenness gives to the police more than half their work!*” A state of things is indicated here that no country can afford to maintain within it—a marked increase in the apprehensions for drunkenness, there being 2,141 cases more than in the previous year, in one Lancashire borough! Of the disorderlies, only one in a thousand can read and write well; of the drunken disorderlies, one in only two hundred possesses these accomplishments; and this illustrates the fact that drinking countervails to a considerable extent the good results of schooling. All this, however painful, is nothing extraordinary: the most startling discoveries follow. Think of 3,617 females so drunk and disorderly as to require the interference of the police, in one borough in a single year; and, besides these, 1,203 drunk and incapable; making a total of 4,820 wretched women brawling or lying and rolling about Liverpool streets in the course of

V.—*On the Bank Charter Act of 1844.*—By S. M. Greer, Esq.

[Read May 5th, 1856.]

SINCE the passing of the Bank Restriction Act in 1797, nearly two hundred statutes have been enacted by the British Parliament, bearing wholly or partly on the subjects of Banking, Bankers, and the Currency; being an average of about three acts of parliament yearly, for a period of sixty years. This prolific legislation seems to indicate the want of any fixed and definite principle influencing the legislators during that period, in relation to these matters; and of any uniform well-matured course of action among our leading statesmen. And when we examine the comparatively limited number of their statutes which bear directly upon the regulation of the currency, we discover that they do not form a harmonious code, developing gradually a well-ordered system, founded upon sound and fixed principles, and matured by experience. On the contrary, nearly all the Currency Acts were devised to meet some pressing emergency, so that they are found to deal with only a portion of the subject, and to constitute in the aggregate a specimen of legislative patch-work rather than a consistent and uniform system.

Amid the diversities of opinion which still prevail among scientific as well as practical men, in regard to the operation and effect of the present currency laws, it may well be feared that the time has not yet come for dealing with the subject finally and conclusively, by a comprehensive measure which shall conciliate all parties, and approve itself sound and satisfactory both in theory and in practice. But the results of past legislation furnish us with most valuable materials for future use. Every new enactment may be regarded as an experiment, and we are now in a much better position for judging of the tendency and effect of these successive experiments than those by whom they were originally introduced. The merest tyro in political economy may know much about the actual working of the Bank Charter Act of 1844, which could be only matter of conjecture to Sir Robert Peel and Mr. Jones Lloyd when that act was framed. I hope I may be permitted, therefore, without any charge of presumption, to mention a few points in which it seems to require re-consideration and amendment. But before doing so, it

twelve months! Every one of these, too, it must be remembered, represents three or four others who have fallen into the same vice, but have kept in doors, or gone home without requiring the assistance of the police; so that, although it is true that many of the 4,820 apprehensions involved the same offenders twice or thrice, or many times over, it is also true that the total number of apprehensions falls exceedingly short of the real total of drunken cases. And then, look at the ages of these degraders of their sex. How many under eighteen years of age were found drunk and disorderly? *Six hundred and fifty-four!* And of these, *twelve* were under the age of fifteen years! Add to facts startling, atrocious, and horrible like these, the further fact that of the 4,820 drunken disorderly females taken into custody during the year, *nearly one-half* were under twenty-one years of age, and what a glimpse we get into the horrors of the system still countenanced by the Christian church of this country, and which philanthropists like the Buxtons are upholding!

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is necessary to indicate some of the lessons which may be learned from the previous course of legislation on the same subject.

The Bank Restriction Act (37 G. III. c. 45) passed on the 3rd May, 1797, was designed, as its preamble indicates, to meet "the unusual demands for specie that have been made upon the metropolis, in consequence of ill-founded or exaggerated alarms in different parts of the country," and to prevent the "want of a sufficient supply of cash to answer the exigencies of the public service." It therefore relieved the Bank from the necessity of paying gold in exchange for its notes, and made those notes a legal tender for the payment of all debts and liabilities throughout the country. It was intended as a mere temporary expedient; but year after year passed away, and gold was found to become scarcer instead of more abundant. The Restriction Act was therefore renewed from time to time, and it was not until the 1st May, 1821, after the lapse of twenty-four years, and nearly six years after the establishment of peace, that the Bank was again required and enabled to pay for its notes in gold at the original standard of value; and even then it was relieved for two years longer from the necessity of redeeming its notes in smaller quantities than what amounted in value to sixty ounces of gold. During this lengthened period, the Bank of England was subject to no effectual check upon the gross amount of notes which it issued; and, being tempted by the profits of discounting, to enlarge its circulation without reference to the effect of this, upon prices, or to its bearing on the interests of the public, it raised its total issue of notes from nine-and-a-half millions in 1797 to

£15,100,000	in 1802
16,900,000	„ 1807
23,400,000	„ 1812
27,300,000	„ 1817

from which amount, in 1822, after the resumption of cash payments, its gross circulation came down to £18,600,000. And if we deduct from the gross amount of notes the quantity of bullion in the Bank at the several periods above-mentioned, setting apart a portion of the bullion equal to one-third of the deposits lodged in the Bank at those periods respectively, according to the table arranged by Dr. Hancock, (page 262, *supra*) we shall find the notes then in circulation, *unrepresented* by an equivalent value of gold in the Bank, or what Dr. Hancock terms the *effective* circulation, to amount to

£13,200,000	in 1802
14,700,000	„ 1807
23,400,000	„ 1812
21,300,000	„ 1817

while in 1822 this *unrepresented* circulation of notes had fallen to £9,100,000.

This enormous increase of the circulating medium may have been rendered necessary, in part, by the stimulus given to various branches of trade and manufacture by the war. But such needful increase was far exceeded, and consequently the paper currency

became greatly depreciated, in comparison with the gold which still remained in circulation. The full extent of this depreciation it is impossible to ascertain; it varied moreover at different times. But some record of it has been preserved and published by Mr. McCullagh, shewing a continued depreciation, from 1801 till 1820, inclusive, varying from two to twenty-five per cent., and averaging nearly eight per cent. for those twenty years. During all that time, therefore, every debt or pecuniary obligation which had been contracted before the depreciation of the currency, and was then discharged in Bank of England notes, involved a direct loss to the receiver, and a gain to the payer, of about eight per cent. on an average. In this way annuitants and persons living on fixed incomes, fund-holders, landlords, mortgagees, and many other classes suffered to an extent which it would be difficult to estimate, but which must have amounted to many millions every year, and which in the aggregate may have greatly exceeded one hundred millions. And all, or nearly all this grievous social injustice, enriching one class at the expense of another, was occasioned by the Bank Restriction Act, and would have been prevented if other means had been devised in 1797 to check the drain of gold, and save the credit of the Bank, or even to restore cash payments within a few years afterwards.

The depreciation of Bank of England notes seems to have reached its maximum in 1814, at the close of the war, when it amounted to twenty-five per cent. It must have required vigorous and active measures on the part of the Bank to raise the value of the notes, as appears to have been done, from that enormous depreciation to a depreciation of only two per cent. in 1817, three years after. The secret of this operation consisted in raising the amount of bullion in the Bank from £2,200,000 to £9,600,000, an amount which emboldened the Bank, in the months of April and September in that year, to undertake the payment in gold in the one case, of all its small notes dated prior to 1st June, 1816, and in the other case, of all its notes of every description dated prior to 1st January, 1817. But these attempts to return to cash payments proved abortive; and it was only by virtue of the statute 59 G. III., c. 49, passed on the 2nd July, 1819, that cash payments were finally resumed. And even this act recognised and regulated the existing depreciation of the bank notes, requiring them to be redeemed in certain prescribed quantities, with gold valued at £4 1s. per ounce, from 1st February till 1st October, 1820; and valued at £3 19s. 6d. per ounce from 1st October, 1820, till 1st May, 1821; after which date the gold was to be reckoned at its standard value of £3 17s. 10½d. per ounce, and paid out accordingly.

Now, the effect of this resumption of cash payments in 1821, without any legislative adjustment of the contracts entered into under a depreciated currency, was equally injurious to private interests as the Bank Restriction Act had been, though operating in a different direction. In the former case, annuitants, fund-holders, landlords, mortgagees, and similar classes received less than they were entitled to. But in the latter case, where their titles commenced under the depreciated currency, they obtained,

after the resumption of cash payments, a much larger amount in value than they were entitled to, although paid the same nominal sum. Nor did this injustice in any degree balance or correct the former, as it took effect entirely upon new classes of sufferers, in regard to transactions that had originated between 1797 and 1821. A very large proportion of the injustice inflicted by the resumption of cash payments was thrown upon the tax-payers of the country, who were compelled to pay interest in a convertible currency for some four hundred millions of the public debt contracted in a depreciated currency.

Now, if we are to estimate the injustice done by the enhancement in value of the currency in 1821, as equal in amount to what was caused by its depreciation in 1797, we have here a double illustration, upon an enormous scale, of the evils that must necessarily arise from the fluctuations of the standard of value, whether upwards or downwards in the scale; and an example of the mischief that may be occasioned by legislating for an emergency, or in view of some special objects to be gained, without taking the whole subject into account in all its bearings. Nothing can establish more conclusively the extreme danger of tampering in the slightest degree with the accredited standard of value; and as a result of the experience which we have derived from these legislative measures, I would lay it down as the first grand leading principle in regard to the currency, that the standard of value should, above all things, be preserved free from fluctuation; and for this purpose, that the precious metals, which have their value fully recognized by all civilized nations, should hold their place, as at present, in our currency, being less liable to fluctuation in value than any other circulating medium.

The next great era in our banking laws is the year 1826, in which two important acts were passed, whose influence is still deeply felt in every department of our monetary system. The year 1825 had been signalized by an extraordinary degree of over-trading and speculation. A terrible commercial crisis ensued, in which multitudes were ruined. Throughout the whole of Great Britain the private banks especially suffered; a very large proportion of them failed, and spread ruin and distress more widely around them. This disastrous commercial crisis, which continued during part of the year 1826, was ascribed, whether rightly or wrongly, to the over-issues of the banks, both public and private; and particularly to the facilities for such over-issues that were afforded by the circulation of small notes which then prevailed in England. Accordingly, to cut off this supposed source of danger to the banking and commercial classes, the statute, 7 Geo. IV., c. 6, was passed on the 22nd March, 1826, "to limit, and, after a certain period, to prohibit, the issuing of promissory notes, under a limited sum, in England."

The result of this act was to withdraw by degrees all the bank notes under £5 which were then circulating in England, and to substitute in their place a corresponding amount of metallic currency to meet all the variety of small payments which are continually required, between *twenty shillings and five pounds*. It is diffi-

cult to estimate the amount of gold required to replace these small notes in England, but it probably ranged between £20,000,000 and £30,000,000; and this immense sum had to be provided out of the capital of the country, to be absorbed into the circulation, without making any return. After thirty years' experience of the working of this act, we may be allowed to doubt whether it has not produced more evil than good. It did not suffice to prevent the commercial crisis of 1837, nor that of 1839, or of 1847; and ever since its enactment, the people of Ireland and of Scotland have been enjoying the accommodation of a small note circulation, without being so deeply involved in over-trading and over-speculation as their fellow-citizens in England. It is to be feared, therefore, that the small notes in England were made the scape-goat for evils that might more justly have been ascribed to some other cause.

The second act of 1826, to which I referred, is the 7th Geo. IV., c. 46, passed on the 26th May, "for the better regulating of co-partnerships of certain banks in England; and for amending part of 33 and 40 Geo. III. c. 28."

By the act, 39 and 40 Geo. III., c. 28, the Bank of England had secured, as one of the conditions for advancing £30,000,000 to the Government on loan for the public service, the continuance of an old prohibition, originated in 1708, against carrying on the business of banking in England, save by itself and by co-partnerships of not more than six partners. This prohibition had acted most injuriously upon the trading and mercantile interests of the community; for while it did not put an end to private banking, it had thrown it exclusively into the hands of small firms possessed of local influence, but without sufficient capital to deserve the confidence of the public, or ensure the stability of their banks. Most of these private banks were unable to maintain their ground in the violent re-action in regard to prices and commercial credit which prevailed from 1814 till 1816, after the conclusion of the war; and of those that were able to survive that trying crisis, a large proportion yielded to the pressure and the panic of 1825, and were ruined. Some part of the mischief caused by that dreadful panic was naturally and properly ascribed to the instability of these private banks. The Bank of England was therefore compelled, in 1826, to relinquish its monopoly, save in London and within sixty-five miles of it; and in all parts of England outside this circle, co-partnerships for banking were permitted by this statute to be established, consisting of more than six partners, provided the names and addresses of all the partners, and of two public officers to represent each firm, were duly registered at the Stamp Office. A similar act was soon after passed for Ireland; and since that period a considerable number of Joint-stock Banks have been established in Great Britain and Ireland, supported by numerous and wealthy shareholders, and carrying on a steady and flourishing trade. A few of these Joint-stock Banks have failed, on account of the fraud or misconduct of their founders or managers. But in no instance that I am aware of, did the note-holders eventually lose any part of their claim. The fact, therefore, that Joint-stock Banks, with registered proprietors of known character and solvency, may be safely allow-

ed to conduct banking business and to issue bank notes, may be regarded as one of the lessons which we have learned during the last thirty years.

And now, having cleared the way by this historical retrospect, we are the better prepared for considering the present Bank Charter Act, 7 and 8 Vic., c. 32, passed on the 19th July, 1844. If the measures of 1826 were expected to prevent all future monetary or commercial embarrassments, they were signally unsuccessful. In 1837, and again in 1839, there was very severe pressure upon the mercantile classes, and much consequent distress, although no small notes were then in circulation, and comparatively few private banks remained to occasion doubt or panic as to the security of their issues. On both of those occasions there had been a continual drain upon the banks for gold; so that if gold, equal in value to one-third of the deposits then in bank, had been set apart on those two occasions to meet such deposits, there would only have remained in the coffers of the Bank, in 1837, the sum of £700,000 to meet a total issue of £18,100,000; and in 1839, a balance of £300,000 to meet a circulation of £17,900,000 in notes; while the reserve of gold for deposits would have been on the former occasion £3,300,000, and on the latter, £2,100,000. This state of affairs was sufficiently alarming; and if a salutary lesson had not been learned by all classes from the Bank Restriction Act of 1797, the Parliament would most probably have been loudly invoked to interpose once more between the Bank and its note-holders. By efforts, however, which were active and energetic, if not sufficiently prompt, these dangers were at length avoided, and the Bank once more regained its command of the bullion market. But the danger of a temporary insolvency, to which it had been exposed, had excited the utmost apprehension among some leading statesmen and economists; and the act of 1844, introduced by Sir R. Peel, to continue the charter of the Bank, was intended to guard most effectually against all such dangers in future. For this purpose, the issue department of the Bank of England was wholly separated from the banking department; and in order to secure an effectual control over all future issues of bank notes, the Bank Charter Act restricted the circulation of all then existing banks in Great Britain and Ireland, other than the Bank of England, to the average amount of their circulation for the *twelve weeks* immediately preceding the 27th April, 1844; while it limited the issue by the Bank of England, of notes unrepresented by an equivalent amount of gold, to £14,000,000. It then prohibited the establishment of any new banks of issue, and provided for the transfer, under certain circumstances, to the Bank of England of the right to issue unrepresented notes, thereby secured to existing banks. In this way it established, *in the first place*, a *minimum* beyond which the issue of unrepresented notes as distinguished from bullion, circulating within the United Kingdom, should never, under any circumstances, extend. In the second place, it created a monopoly of the privilege of issuing notes, in favour of the existing banks; and in these two points I take the liberty of disputing the soundness of its principles, and the

sufficiency of its provisions to secure adequate accommodation for the commercial wants of the country.

1. With regard to the policy of this act in restricting the issues of unrepresented notes, that is, notes for which the bank does not retain in its coffers an equivalent of the precious metals, I would venture to lay it down as a general principle, that, so long as the convertibility of bank-notes for their equivalent in gold can be maintained, the larger the proportion of bank-notes that can be kept in circulation, and the smaller the proportion of gold, it is so much the better for the country; for besides the loss of interest upon the gold so employed, the loss by tax, and war, and other casualties, is reckoned by Mr. M'Culloch at $\frac{1}{4}$ per cent. per annum. The advocates of the Bank Charter Act are bound, therefore, to demonstrate that, keeping in view the convertibility of bank-notes, no greater quantity of them could be safely issued than that act permits.

Now, to take the Bank of England first, its unrepresented circulation is fixed at £14,000,000, either because that is pretty nearly the amount of that part of its capital which has been lent to the nation, or because it nearly coincides with the amount of unrepresented Bank of England notes in circulation for the previous twenty years on an average. But during that period these notes frequently circulated to the extent of £15,000,000, or £16,000,000, when there was no special or dangerous drain of bullion; and if at such times the issue had been restricted to £14,000,000, there would have been a very severe and unnecessary pressure exercised upon the industrial resources of the country; and much distress and suffering would have been occasioned, which were avoided as the law then stood. During thirteen out of these twenty years the average unrepresented issue exceeded £14,000,000. Therefore, to take the *average*, and at once constitute it the *maximum* of unrepresented bank-notes, is to insure that for at least half time the ordinary amount of banking accommodation shall be withheld. If it had been merely intended by the act to prevent any increase in the issue of unrepresented notes, such a maximum should have been assumed as, with the ordinary fluctuations of business, would have permitted £14,000,000 to remain the average; whereas, when that sum is made the maximum, the average, if there be any fluctuation at all, must be lower. But keeping up a circulation equal to the average amount of the previous twenty years would not have fully met the necessity of the case, for the amount of circulation required in any country depends upon the population of the country, and the quantity of business to be transacted on an average for each individual. Now in Great Britain the population has been steadily increasing. It has risen from 14,402,643 in 1821, to 16,813,786 in 1841, and 21,121,967 in 1851. Therefore the circulation which was sufficient in 1821 would not, *cæteris paribus*, afford equal accommodation to the community in 1851. And besides this, there have been amazing advances made by the nation within the last thirty or forty years in the industrial arts, which would require an increased currency to keep pace with the same amount of population. For all these reasons I am persuaded that an unrepresented circulation

of £14,000,000 was too limited an amount for the legislature to assign to the Bank of England in 1844, during the term of its renewed charter.

But then, it is said by the advocates of this act, that the currency is not necessarily restricted to the amount of unrepresented notes. When the wants of the country require an addition to the currency, our merchants have only to import an additional amount of bullion, and let that be put into circulation, either in the shape of coin, or by bullion notes, which the bank can issue as well before as after it has reached the limit of £14,000,000 of unrepresented notes, on account of, and to the extent of, any additional bullion which it may receive and retain. No doubt this operation is always open to our merchants and bankers; but it has been admitted to be a fair and reasonable provision for a banker's liabilities if he take care to be always supplied with gold equal to one-third of his notes in circulation, and of the deposits intrusted to him. If he were required by law to have gold in reserve equal to the full amount of his issues and deposits, he could not do it; he would have no profit by his banking. It would be an oppressive and an intolerable law. And yet this is no more than what is done by this act, when the exigencies of trade require a circulation above the limit which it has fixed, and fixed as we have seen below what was required to meet the ordinary wants of the population even in 1844. For, instead of requiring a sovereign to be provided and kept in store for every three pounds that are put in circulation, it makes it necessary to have a sovereign provided for every pound that is put into circulation. And it sounds very like mockery, when the bullionists remind those who want merely their ordinary discounts to meet the ordinary exigencies of trade, that there is gold in Australia, or somewhere else equally out of their reach. The practical effect of this act has been found to be to raise discounts, and give a fictitious value to money, and to impose great and sometimes insuperable difficulties upon manufacturers and merchants of undoubted solvency in the transaction of their business. It creates too great a difference between the ordinary healthful operations of banking, and those which are required when some departments of business have been stimulated into more than usual activity. The act would not have been so objectionable on this ground, if it had authorized the bank, after its issue of unrepresented notes had reached £14,000,000, to extend its issues to the further limit of £18,000,000, requiring that the additional £4,000,000 or some portion of it should be represented in the coffers of the bank by one-half its value in gold; or if, without requiring any bullion, it had imposed on the issue of the first £2,000,000 of this extra supply of notes, a tax of one per cent. per annum for the benefit of the state, and two per cent. on the second £2,000,000. Either of these provisions would have imposed a timely check upon any speculation, or dangerous operations, or over-trading; whilst it would have imposed far less difficulty upon fair and legitimate trade than the present law throws upon it. As a sample of those difficulties, take the facts described in the following extract of a letter from a Manchester house declining a large order for goods in 1847:—

"No purchases can be made except for hard cash; universal distrust prevails. . . Although there are numerous orders in town from America, Greece, and other countries, and although manufacturers are holding large stocks at an enormous sacrifice, and are obliged to stop their works, and throw their hands out of employment, they prefer to do so rather than sell for bills which they cannot discount."

Such, then, is the working of this highly-extolled statute. It makes the Bank a mere machine for curtailing the circulation, and will not allow it to discriminate between the safest and most necessary transactions, and those which are purely speculative and dangerous. It must refuse accommodation to all alike, and therefore it locks up capital, and makes the industrious idle, because trade cannot, at a moment's warning, cut out a new channel for itself, and pay in hard cash instead of the usual medium of bills of exchange.

There is no doubt but when there is a drain of gold from the Bank, whether to pay for an unusual supply of foreign corn, or for any other cause foreign or domestic, it is necessary for the Bank, in order to secure the convertibility of its notes, to retain a sufficient stock of bullion to raise its discounts, and to be more discriminating than usual in the selection of its bills for discount. But when a stop is suddenly put to all discounts, or when from three or four per cent. the interest is rapidly raised to six, seven, or eight per cent. an end is put to much of the fair legitimate business of the kingdom, many of the poor are thrown out of employment, and a heavy tax is at once imposed upon all commercial transactions, so far as these are represented by bills of exchange,—a tax which does not find its way into the coffers of the state, but into the pockets of bankers and money-lenders. It has been computed by Mr. Newmarch, of the London Statistical Society, as may be seen in that society's Journal for May, 1851, that there are at all times bills under discount in Great Britain, amounting on an average to £100,000,000. Now the difference in the discount of such an immense amount of securities for a single year, occasioned by a monetary crisis raising the rates of discount from three and four per cent. to seven and eight per cent. respectively, would amount to no less than £4,000,000. But this is not all; for anything which enhances the value of the circulating medium affects all the transactions of society, of which it would be almost impossible to form an accurate estimate. Let us suppose, however, that there are at present in Great Britain and Ireland 29,000,000 individuals, allowing for some increase since the census of 1851. If each of these individuals, young and old, rich and poor, consume, on an average, £25 worth of commodities during twelve months, for food, clothing, and other requisites; and if each of these commodities should have been the subject on an average of four distinct transactions between the original producer and the consumer, the mercantile transactions represented by each unit of the population would amount to £100 in a single year; and consequently the transactions of the entire population would rise to the enormous aggregate of £2,900,000,000, or nearly £8,000,000 for every day.

This rough calculation makes no pretensions to exactness or accuracy; but it may shew how extensively everything that affects

the currency acts upon every class of society, and how dangerous it is to tamper with the currency, or in any way to change even for a short period the standard of value or the rate of discount. For it is unquestionable that such a sudden restriction upon the amount of the circulating medium, as renders it inadequate for the time to subserve all the purposes of social and commercial intercourse by raising the rate of discount, enhances the value of what is permitted to circulate, and thus virtually, though not nominally, raises the standard of value. So far as this may be occasionally necessary to regulate the exchanges, and prevent the inordinate exportation of gold, it is not only salutary but indispensable. There ought not, however, to be a sudden break, such as the act of 1844 occasions in the working of our monetary system. It should be made more elastic in its operations, so as to work up to the required point which will act upon our foreign exchanges by a gentle and gradual process, and not by a sudden and violent strain.

The present system seems to have been devised with a special view to regulating the supplies of bullion, and without sufficient regard to its effects upon the internal economy of the empire. If we are to draw any special lesson from its tendency and effects, as we have done in regard to the other currency acts, I think we would be justified in saying that it is essentially a bankers' act, and has postponed the interests of all other classes to those of the bankers and bullion merchants.*

"In regard to the restriction of the circulation by the act of 1844, in as far as this applies to private and joint-stock banks, whose aggregate average circulation in England amounted then to nearly £8,000,000, there is this anomaly, that whereas the Bank of England was known to have an available capital of nearly £18,000,000, while its issues of unrepresented notes were limited to £14,000,000, these other banks were authorized to issue their £8,000,000 without any guarantee or security that they had either gold or capital of any kind to meet their issues. Then the principle of an average circulation was applied to these banks, and to an average including only the spring months of 1844, which may in many cases have been exceedingly unequal and unjust to these banks and to their customers, for the reasons already given in reference to the Bank of England. There seems to be this further anomaly in regard to the English private and joint-stock banks, as compared with those of Ireland, that the latter have the right, like the Bank of England, of increasing their issues beyond the statutory average upon the security of bullion or coin, to the full extent of those extra issues in their respective coffers, while the English banks are deprived of this privilege.

With regard to the discounting operations of the private and joint-stock banks, as well as those of the Bank of England, there are several classes of transactions which they have it in their power to discourage, and in many cases to prevent,—transactions which

* In proof of what is here advanced, I may refer to the reports published since this paragraph was written, of the enormous profits of some of our Irish joint-stock banks during the past year, one of them having realized a profit of nearly twenty per cent. on its paid-up capital, and another of about eleven or twelve.

are dangerous to the healthful operations of commerce, and frequently disastrous to those who are concerned either as principals or accessories. I refer to speculations and over-trading outside the course of ordinary business. Very low discounts, when money is abundant, frequently lead to unsafe investments and idle speculations, which are dangerous to the safe and steady progress of trade, commerce, and manufactures. Sometimes even the Bank of England presents temptations to such unsafe and hazardous undertakings. Soon after the passing of the act of 1844, and before the end of that year, the Bank of England was discounting bills at two per cent., and even as low as one and three-fourths. Now, when it becomes necessary to raise discounts in order to check the over-trading which very low discounts have a tendency to encourage, and to prevent the exportation of gold which is required at home or for other protective purposes, it would be much less injurious to the public interests to refuse accommodation or encouragement to parties that are known to be engaged in doubtful and dangerous speculations, rather than permit the crisis to attain such magnitude that accommodation must be refused to all alike, and multitudes must necessarily be ruined.

II. The second great objection which I make to the Bank Charter Act is, that it has established a monopoly of the issuing of bank-notes in the hands of the banks that existed when that act was passed. If my previous position be well established, that the maximum circulation authorised by that act must often fall short of the wants of the country, the circulating medium will necessarily on such occasions become considerably enhanced in value, to the great profit of those who enjoy the exclusive right of supplying it to the public, while a corresponding loss is sustained by those to whom it is supplied. If, as a matter of state policy, it was resolved by the legislature of the country that any parties should thenceforth be invested with the exclusive right of circulating paper money, to be used for the time instead of current coin, I submit that a fair portion of the profits of their protected issues should have been reserved to the public in return for so valuable a privilege.

But not to dwell on this point, the great and avowed object of this Bank Charter Act was to give to the Bank of England a control over the circulation; so that, by limiting its accommodation, and raising its rates of discount a considerable time before it had attained the maximum of its unrepresented issue, it should always be able to check the exportation of gold, and turn the foreign exchanges in our favour. Now, by permitting other English banks to share with the Bank of England in this privilege of issuing notes to the extent, say of eight out of twenty-two millions, or more than one-third the circulation of unrepresented notes, that Bank is virtually deprived of the control which it was intended to exercise over the circulation; since the country banks may be, and in point of fact are, found to be increasing their issues and pushing their circulation, when the Bank of England deems it necessary to restrict its issues.

If, therefore, it was deemed a paramount object to secure unity of purpose and action in dealing with the circulation, the legisla-

ture should at once have made arrangements for investing the Bank of England or some other national institution with the exclusive power of issuing bank-notes, either immediately, or by permitting it gradually to absorb, within a given time, the issues of the other banks. In this way the proposed object could have been effectually and gradually attained, without deranging the affairs of the existing banks and of their customers. There would then have been no conflicting banks of issue, seeking to encroach on each other's fields of operation, and playing at cross-purposes with each other; one endeavouring to contract, while another was trying to extend the circulation.

But if the professed object of the Act of 1844 could have been more effectually accomplished in the way above suggested, the establishment of one gigantic institution, invested with exclusive and unchallenged control over the monetary affairs of the empire, might have proved dangerous to the welfare of the country, if not fatal to its liberties. Whether immediately under the control of the government for the time being, or having a *quasi* independent position, it would be almost impossible to prevent such an institution from being used for private or political purposes of a most dangerous character. About twenty years ago, the Bank of the United States of America, which was intrusted with the Treasury balances, but had no exclusive right of issue, was found to be using its extensive power and influence for political and party purposes. Its intrigues, however, enabled it to carry through both Congress and Senate a bill for renewing its special privileges as the Bank of Government Deposit. But the President, General Jackson, firmly resisted all its influences and baffled its intrigues, and finally vetoed the bill for renewing its charter. And what was the result? Within four or five years it was proved to be hopelessly insolvent, having wasted its capital in propping up its exclusive privileges, and in speculative advances on cotton and other commodities which were not immediately available in the English market, to accommodate its political partizans. And thus were justified the foresight and sagacity of General Jackson, in refusing to sanction or perpetuate powers which had been grossly abused, and had become dangerous to the liberties and rights of the community.

Even the Bank of England, though exercising no direct political influence, has frequently used its power for its own enrichment and aggrandizement at the expense of the nation. So early as 1708 it had influence enough to obtain a prohibition against the establishment in England of any other bank besides itself, with more than six partners. This restriction continued in force till 1826, and prevented, till that date, the establishment in England of a sound and healthy system of Joint-Stock Banks. The Bank of Ireland, like her English sister, obtained a qualified monopoly, and employed it for similar purposes. Again, in 1826, when it was found impossible to retain for the Bank of England this privilege in all its integrity, there was still influence enough to secure it for a circuit of sixty-five miles from London, while the Bank of Ireland secured a similar monopoly for a circuit of fifty miles from Dublin. Then, in regard to the issuing of its unrepresented notes, the Bank has managed

its negotiations so well, that it is authorised to issue such notes to the full extent of £14,000,000 and to enjoy the full benefit of them; and instead of sharing these profits with the public, it has secured a considerable annuity besides, for its trouble and expense in managing the public debt, keeping its accounts, and paying the half-yearly dividends. Its notes have also been freed of stamp duty, or composition for it, which other banks are obliged to pay.

For all these reasons I have serious misgivings about the policy of committing so important and responsible a trust to the judgment, discretion, and integrity of any single board, however respectable. We have already seen that the Bank of England has sometimes been found to act indiscreetly in exercising the powers with which it is at present invested. In the year 1844, as already stated, it entered into competition with the ordinary banks, and discounted bills at the exceedingly low rate of $1\frac{1}{4}$ and 2 per cent. per annum, and thereby encouraged the mania for railway speculation, which soon after spread like an epidemic over the country, carrying ruin and desolation into thousands of families. And when, in 1847, the reaction produced by this fever of speculation came on, grievously aggravated by the drain of gold required to supplement, by foreign corn, the deficiencies of two successive harvests, and the utter failure of the potato crop, then the Bank Directors took fright, according to one of their own advocates; and instead of using their newly acquired rights to pilot the country safely through the dangerous crisis in which it was involved, abdicated their authority, and forced upon the Government the alternative of interfering by a vigorous stretch of arbitrary power to shield both them and the country from shipwreck, in their own chosen harbour of refuge.

If the suspension of the Bank Charter Act in 1847, by an Order in Council, was really a mistake—"a weak measure, a dangerous precedent"—what are we to think of the Bank Directors who urged this measure on the Government, and of their competency to regulate the monetary affairs of the empire? If, on the other hand, as the result seems to prove, it was a judicious and salutary stretch of authority, what becomes of the wisdom and policy of an Act that required to be suspended in the fourth year of its existence? We leave it to the apologists of the Act to choose either horn of the dilemma.

Having condemned the principle of conferring a monopoly of the right of issuing bank notes upon any single bank or board, and having also condemned the system which has now been in operation for twelve years, and which manifestly aims at such a monopoly as its ultimate object, I am compelled to advocate the opposite alternative of free trade in banking, with such restrictions and modifications as experience has proved to be necessary for the security of the public. At present it is impossible for me to enter into a full statement of my views on that part of the subject. But I may be allowed to say that I altogether repudiate the unrestricted latitude which is said to prevail in some at least of the United States of America. Sufficient securities should be taken in every case to protect the note-holders from all risk; periodical returns should be required of the issues of each bank, and the strictest vigilance exercised to protect the public from fraud and imposition; and with the ad-

mittedly excellent and perfectly safe joint-stock banking system which prevails throughout the whole of Scotland, and throughout at least the North of Ireland, to serve as an example, I believe that a far more convenient, suitable, and satisfactory system of banking could speedily be established by private enterprise, than can ever be set up and regulated by arbitrary authority and unbending rules. We require a system which will accommodate itself to the wants of the country—which will meet any extraordinary exigency by a corresponding effort, accelerating the circulation, or adding to its amount, as there may be a necessity for it, just as the circulation of the blood is safely and naturally stimulated by the muscular effort required for ascending a hill. Whereas the present system, like the unyielding routine which has been so fatally exemplified in the Crimea, loads the adventurous climber with its heaviest weights; equips him in heavy marching order, with knapsack and other similar aids to enable him to surmount his difficult ascent; and then, to prevent any undue or dangerous muscular development, it fits on with great care a girdle, or strait-waistcoat, nicely adjusted to the *average* circumference of the body, instead of allowing free scope and action to the chest, when circumstances require more than average exertion.

In ordinary times, it would be impossible for the banks, under a system of free trade, unduly to extend the circulation, as men will not be foolish enough to pay interest for money which they do not require. And when we did enjoy free trade in banking, although most of the private English banks were unsafe and insecure, owing to the Bank of England monopoly, it has not been proved that the crisis of 1825, or that of 1837, was brought about by any want of judgment or discretion in the private banks. That of 1825 was ascribed to the issue of small notes. But Ireland and Scotland enjoyed small notes with impunity. The crises of 1837 and 1839 were ascribed to over-trading and over-issues generally; but we had the crisis of 1847 after our banking system was restricted, and fairly put into the strait-jacket. And if we had not a monetary crisis in 1855, we had something only a single shade less disastrous—a rate of discounts which pressed with ruinous effect upon the industrial energies and resources of the country.

It is a mistake, then, to suppose that the Bank Charter Act has been a successful measure, and that it has relieved us from the periodical fluctuations and commercial difficulties to which we were previously exposed. If the mercantile community were polled, I believe the prevailing sentiment would be, that it has grievously aggravated these difficulties—that it was designed mainly to give the Bank the command of the bullion market, and not to foster or cherish the fair, legitimate trade of the country, and that it has made matters worse than it found them. If this be the general feeling among intelligent and well-informed men of business—men whose opinions would be deemed valuable on any question of administrative reform—the Bank Charter Act, which was only enacted for a limited time, and is now open to modification or repeal, will very speedily be brought before Parliament for reconsideration. And if so, I cannot but hope that it will be so amended

as to press less severely on the trade and commerce of the country, when a more gradual and elastic pressure would serve every useful purpose still more effectually, without inflicting needless injury on any class or individual.

Viewed in a strictly scientific light, this Act has also been a failure, for it has not served "*to make the effective (or unrepresented) issue of paper constant,*" as it was designed to do (see Dr. Hancock's paper, p. 267, *supra*). I subjoin a table* with which Mr. Cairnes has kindly furnished me, of the state of the issues of the Bank of England from 1844 till 1855 inclusive, from which it appears that the unrepresented (or effective) issue under an Act which was to render that issue *constant*, has actually varied from 15.5 millions in 1846, to 9 millions in 1850—that is, about 42 per cent. of the larger sum. Nor does this proportion mark the full amount of fluctuation; for it appears that in October, 1847, the unrepresented issue had reached 17.6 millions, while in June, 1852, it had fallen to 7.6 millions, showing a reduction of nearly 57 per cent. upon the *maximum* of these eleven years. Whereas, when we turn to the record of the unrepresented (or effective) issues of the Bank of England during the corresponding period of eleven years before the passing of the Bank Charter Act, we find that the extreme fluctuation ranged from 17.6 millions, in August, 1839, to 12.1 millions in February, 1838, or little more than 30 per cent., although the severe commercial crises of 1837 and 1839 took place during that period.

* BANK OF ENGLAND.

Years.	Unrepresented (or effective) Issue. (1)	Bullion held against Issue. (2)	Total Issue. (3)	Total Bullion. (4)	Bullion held against Deposits. (5)
	Millions.	Millions.	Millions.	Millions.	Millions.
Sept. 1844	10.1	11.1	21.2	15.1	4
March. 1845	10.5	10.2	20.7	16.2	6
1846	15.5	5.4	20.9	13.7	8.3
1847	13.2	6.7	19.9	11.2	5.5
1848	12.7	6.5	19.2	13.8	5.3
1849	9.4	9.8	19.2	15.2	5.4
1850	9	11.1	20.1	17	5.9
1851	11.6	8.7	20.3	14.5	5.8
1852	9	12	21.4	18.5	6
1853	11.4	12.6	24	19.2	6.6
1854	12.4	10.4	22.8	15.9	5.5

VI.—*Notes on the Société Générale de Crédit Mobilier.*—By Richard Hussey Walsh, LL.B., Professor of Political Economy in the of Dublin.

[Read 16th June, 1856.]

PUBLIC companies have been productive of the greatest utility to society, by affording its members an opportunity of combining their capital for the achievement of common purposes, and thereby occasioning results beyond the power of any of them to effect by himself. But considerable as is the force thus brought into play, anticipations of what it might be and ought to be advance yet further; and the fears of those who dread the competition of such companies, and the hopes of those who embark their means in them, are exaggerated in proportion. In Mr. Lowe's Joint Stock Companies' Bill, lately brought before the House of Commons, Mr. Spooner (see *Debates on Monday, May 16, 1856*) could see nothing but an engine for the destruction of private traders, unable to compete in any of the paths of industry with wealthy opponents commanding the resources of numbers. "Conceive," he cries, "a company of grocers!" What is to become of "the individual grocer?" Judging from experience, the chances are "the individual grocer" will stand his ground remarkably well against his threatened rivals; and when I ask what is to become of the shareholders of the promised "company of grocers," I put a more pertinent question. For the credulity of shareholders is proverbial since many a long day; we have all heard of the South Sea Company, its absurdities and misfortunes; but according to Mr. Francis, in his *History of the Bank of England*, the South Sea Company was a legitimate trade compared with some of the speculations which arose in the early part of the last century. "Schemes were proposed which would have been extravagant in 1825, and which stamped the minds of those who entertained them with what might be truly termed a commercial lunacy. One was for the 'discovery of perpetual motion.' Another for subscribing two millions and a half to '*a promising design hereafter to be promulgated.*' A third was a 'company for carrying on an undertaking of great advantage, *but nobody to know what it is*; every shareholder who deposits £2 per share to be entitled to £100 per annum.' Even this insolent attempt on the credulity of the nation succeeded; and when the arch rogue opened his shop, he was beset with applicants. In five hours, £2000 were deposited in the hands of the projector; and from that day he ceased to be heard of in England. Projects like these enlisted the lowest with the highest. On some sixpence, and on others one shilling per cent. was paid; and as no capital was required, the comparative beggar might indulge in the same adventurous gambling and enjoy the same bright castles in the air which marked the dreams of the rich and the great. Some came so low as to ask only one shilling on every thousand pounds. Persons of quality, of both sexes, were engaged in them. Avarice triumphed over dignity: gentlemen met their brokers at taverns, ladies at their milliners' shops."

At the present day there exists in France a mania for companies, equal in intensity to that which prevailed in England towards the commencement of the last century, and often sprung up at intervals since; or to that which desolated France itself under the regency of the Duke of Orleans. The extraordinary forms in which this mixture of the commercial and gambling spirit manifests itself, excites the alarm of economists and politicians; while moralists view with apprehension the all-absorbing greed for gain which seems to have taken possession of the nation. Some little sensation has been created in Paris during the last few days, by the Archbishop having published a pastoral letter, in which, half sorrowfully, half sternly, he condemns the prevailing mania for speculation. "There exist at present," he says, "dispositions, instincts, ardour, and fever, which terrify us. We fear that even the peace which has been given us will augment existing evils." And he proceeds to condemn severely the prevailing Mammon worship, and expresses grave apprehensions as to the probable consequences of this state of things. France is, indeed, at this moment in a fever of avarice.

——— Rem facias, rem,
Recte si possis; si non quocunque modo, rem.

Or, as one of our own poets happily renders it:—

"Get wealth and power, if possible, with grace;
If not, by any means get wealth and place."

It very rarely happens that the social body recovers from such a malady, and resumes a healthful tone, without some dreadful convulsion, commercial or political.

In 1852, the system of credit and stock-jobbing, which has of late assumed such gigantic dimensions, seems to have received its first great impulse. In that year the *Société Générale de Crédit Foncier*, and the *Société Générale de Crédit Mobile* were formed—the second having been quickly followed by a third, established in 1853, called the *Société Générale de Crédit Maritime*. These are the giants of the new system; but they have numerous imitators on a smaller scale, all agreed in the general principle as to the superiority of public companies over individuals in every conceivable department of industry. The development which joint-stock enterprise is taking in Paris becomes more and more remarkable. In a long list of companies recently established,* most of them of a character which would lead one to anticipate for them anything but a successful career, I find a company for washing clothes. Once, during one of our joint-stock manias, a company was set up in London for superseding the milkman, but it was unable to withstand the competition of the latter. The chances are, the Parisian washerwomen will prove equally formidable rivals to the company which has just come forward to teach them their work.

The most important of the Companies now existing in France is the *Société Générale de Crédit Mobilier*.† As implied by its name,

* "Economist," June 14, 1856.

† Those who wish for fuller details as to the constitution and operations of the *Crédit*

moveable (that is, personal) property may be dealt with by this Company, unlike the *Crédit Foncier* (or Land-Bank), whose operations for raising money in addition to its paid-up capital, are confined to the negotiation of the securities it acquires by lending on mortgages of immovable (that is, landed) property. The capital of the *Crédit Mobilier*, all of which has been paid up, amounts to £2,400,000. It is permitted to borrow money to ten times that amount—£24,000,000—on the security of its own bonds; these bonds, however, differing from our own bank-notes, with which they are sometimes confounded, inasmuch as they are not like them payable on demand, but only (at least, in most instances) give the holder a right to receive an annuity from the Company, which, at the end of a term of years, extinguishes both principal and interest of the loan for securing which the bond was originally passed.* And besides its capital, whether subscribed by the shareholders or borrowed on the terms just explained, the *Crédit Mobilier* receives money on accounts current, and thus a third source is opened whence funds may be derived for supporting the gigantic operations of the Company. Not to trouble you with details, the general business of the *Crédit Mobilier* may be described briefly thus:—It employs its money, whether subscribed by the shareholders or borrowed in the manner already pointed out, in buying up shares in other Companies; managing the affairs of these latter, or taking part in their management, as long as it pleases; and then re-selling them for whatever they may bring in the market. It may pledge these shares, if it be desired to raise money without selling them; and it may receive shares in pledge instead of absolutely purchasing them, and lend money to those who offer them in pledge. It may deal in the same way with public securities, such as the funds, buying and selling them, pledging them and receiving them in pledge. Besides dealing in shares and securities which had before been in existence, the *Crédit Mobilier* may take the initiative as a gigantic contractor. It agrees to supply loans, to perform works; and having fulfilled such contracts, is free to deal with the resulting securities on whatever terms it can.

The operations of the Company are not confined to France, but extend to other countries.

You must now perceive the wide range of business assigned to the

Mobilier may consult the work of M. A. Courtois, "*Des Opérations de Bourse, etc.*," published at Paris by *Guillaumin et Cie.*; also, the last report of the *Crédit Mobilier*, which is to be seen in the *Times*, 21st May, 1856. Along with much that is curious, if not instructive, both contain the most absurd and mischievous views on the subject of credit and association.

* The bonds or debentures of the *Crédit Mobilier* are of two kinds. "The first, issued for a short time, must correspond with our various temporary investments; the others, issued with remote dates of payment and reimbursed by redemption, will correspond with the investments of like nature which we shall have made either in rentes, or in shares and debentures of manufacturing companies." The preceding is an extract from the original exposition of the plans of the Company, quoted in the Report for April 23rd, 1856. It appears that those debentures have been issued to a great extent. It is absolutely necessary for a Bank which invests the money of others in securities which cannot quickly be realised, (as for example, when it sinks it in a manufactory,) to provide that the creditors cannot demand payment until some distant date. Otherwise the Bank would be exposed to a "run," in periods of pecuniary

Company. And whether we look to its last report, or notice the brief allusions scattered up and down the city articles or foreign intelligence of the press, we find that in practice it has not been slow or sparing in making use of its privileges. It is to be heard of alike at home and abroad; in the new world and the old. It is said to have proposed to buy up the great Honduras Railway Scheme, *vice* the Nicaragua Canal exploded. It is, in fact, "among Joint-stock Companies," (*Spectator*, May 17, 1856,) "what the house of Rothschild is among individual capitalists; it lays out railways, and assists Austria to carry on her great public works; it establishes branches, or guarantees aid to similar Societies in Spain, Italy, Germany, and France; it plays nurse to a Bank at Darmstadt, a Rivoli Company, a mining project in the Loire, and a General Shipping Company for France; these being only a few of the projects it has initiated or adopted. It purchased 250,000,000 francs of the last French loan, negotiated subscriptions for 375,000,000 more, and afterwards bought up 600,000 of rentes; and in its newly issued report, it makes a patriotic merit of not having realized profit in the loan by selling the stock;" a step which it avoided (as alleged in the Report) through fear of bringing down the prices of the public securities, and thus lowering general confidence, and throwing difficulties in the way of the financial operations of the Government. It also enacts the corn-merchant, the bullion-merchant, and the gas-fitter; and, not to proceed with further particulars, it would be much shorter to say what the Company does not attempt, or contemplate attempting, than what it does.

To persons in this country it may seem objectionable and hazardous for one company to pursue such a multiplicity of schemes; but this it is which is its principal merit in the eyes of most Frenchmen, among whom there is generally some of the leaven of socialism. The great bugbear of socialism is competition among companies and private traders. This it is, they say, which beats down the wages of the poor, and the profits of the small capitalist; and accordingly, the project of the *Crédit Mobilier* to put an end to competition by amalgamating those amongst whom it would otherwise have existed, is viewed with great favour.

In order to estimate the chances of success of an undertaking like the *Société Générale de Crédit Mobilier*, I shall briefly consider the nature of the cases in which public companies have proved profitable, and then examine if the conditions of their success are fulfilled by the great association we are at present discussing. Much is said about companies supplanting the private trader, but the truth is, the kinds of business in which such succeed are most

pressure, or want of confidence; a contingency which it could not possibly encounter successfully when its money had been sunk in permanent investments. Were one of our Banks (the holders of whose notes or deposit receipts are entitled to demand payment at any moment they like, or, at least, after very short notice,) to engage in the same class of operations as the *Crédit Mobilier*, it would be ruinous, most likely, in the first season of anything resembling commercial pressure. But the *Crédit Mobilier*, with money raised on debentures of the kind just described, may follow with impunity, at all events for a longer period, a course which could not fail to involve Banking establishments such as ours, in serious difficulty, not to say ruin, before much time had elapsed.

of them those which, if there were no companies, would not be carried on at all, or else be conducted in a most unsatisfactory manner. It is not, in other words, that companies succeed by doing better what private individuals in their absence would have done well; but they succeed by doing in some way or other what else would not have been done at all, or else performed very badly. There are few private individuals who are rich enough to make a canal or railway. There are some exceptions, indeed; that, for example, in the case of the Duke of Bridgewater, who expended a princely fortune in making the canal which now bears his name. But, as a general rule, it may be laid down that without the combination of the pecuniary means of many individuals, works of that description would rarely be attempted; and hence they afford an appropriate field for public companies.

The trade of banking, on the other hand, affords an instance of a pretty large class of undertakings, where great security rather than an extraordinary amount of money is required, and which consequently can be carried on by private individuals, but not in a satisfactory manner. Formerly, when banks with more partners than six were prohibited in England and Ireland, we did not suffer from any want of banks, but rather from the wretched description of those we had.

In a paper read by Dr. Lawson before this Society, containing statistics to illustrate the kinds of business best suited to Joint-Stock Companies, there is much information bearing on this subject; and any one who takes the trouble of consulting it will perceive that it fully bears out the principle I have stated respecting the success of public companies, viz. :—that they are adapted for those pursuits alone, which, if no such Companies existed, would either not be carried on at all, or else be managed very badly by private individuals.

Such are the conditions under which alone we may reasonably anticipate the success of a public company exposed to the competition of private individuals. But when we come to the *Crédit Mobilier*, we find it presents the following peculiarity:—It is not intended for carrying out any one sort of business in particular, but a multiplicity of kinds of business. This involves the question, not only as to whether a company is fitted for conducting each of them separately, but also, in the event of the answer being in the affirmative, whether it is fitted likewise for conducting them all together. As to the first question, the objects of the *Crédit Mobilier* are so numerous and indefinite, that all I can say is that some of them are, and others are not, calculated to be conducted successfully by a company. And several of them are not even intended to afford profit; the operation, for example, described in their last report, of buying corn when it was dear, and then selling it cheap to the poor. And the business of lending money to those most in want of it must be placed in the same category. At least, I am sure of this much, that the shareholders of one of our ordinary banks would be greatly alarmed for their dividends, if they learned that the directors adopted the rule of the *Crédit Mobilier*, of accommodating those “least favoured by fortune.” But, leaving

aside those extreme cases, and considering the business of the *Crédit Mobilier*, not its charitable operation, and even granting, for a moment, that all the former are such as a company might conduct successfully separately, are we to assume a similarly fortunate result when it essays them all together? The advantage of a company over a private individual is, that its capital is greater, and thus it may carry on production on a larger scale, so that an increased division of labour and consequent augmentation of its efficiency may be brought about; but this ceases altogether when the greater capital of the company, instead of being employed in conducting any one kind of business on a greater scale, is merely employed in conducting a greater number of different kinds of business on the same scale as usual. In such a case, the great advantage of a company disappears, and all the disadvantages remain and multiply. If a single establishment of a company is more wastefully conducted than that of a private trader, what will it be when the former sets up a multitude of separate establishments—if in one place it became a railway company; at another, a corn merchant; here, a gas-fitter; and elsewhere, a builder? The popular proverb about the effect of having “too many irons in the fire,” answers this question very shortly and conclusively; and leads us to infer that the *Crédit Mobilier* is not calculated to prove successful, even in those departments of industry which, if cultivated separately, are suited to a public company. Besides, the multiplicity of the pursuits of the *Crédit Mobilier* involves the necessity of its including a number which do not come within the very limited range of those which public companies can conduct successfully.

Even were the management of a company with the objects of the *Crédit Mobilier*, the most unexceptionable possible which its constitution admits of, I do not think, on the grounds already stated, that it is calculated to prove profitable; but so far from any such condition being at all probable of realization, the management, on the contrary, is likely to turn out both unskilful and dishonest. When a trading concern professes to aim at the noblest, grandest, and most disinterested purposes, and at the same time afford ample profits to its promoters, the enthusiastic philanthropist at once comes forward to support the undertaking. He is attracted by the benevolent projects unfolded, and his sanguine disposition makes him ready to believe that the enterprise will be equally excellent as a pecuniary speculation; and he thus stills the voice of prudence, which might otherwise have deterred him from investing largely in so novel a scheme. But as surely as carrion attracts the vulture, so will the trading gambler or swindler be found hurrying to mix himself up in any transaction where the unsuspecting come forward with their money. Among the great and philanthropic undertakings which the *Crédit Mobilier* shadows forth as coming within its mission, are the following:—“To draw the east closer to western civilization, and restore its ancient prosperity; to open more rapid and less costly communications between the two hemispheres; to bring into cultivation, on a vast scale, the African possessions of France; to develop the mercantile shipping of France;

to encourage agriculture by a closer alliance with commerce and manufactures; to multiply capital by association; and to extend the benefits of credit to all trades and professions, and even to the persons engaged therein who are least favoured by fortune." This is certainly a tempting bill of fare—sure to allure the real and pseudo-philanthropist, the man who loves his species and him who makes a trade of affecting a similar feeling; and then, when the flat heads and the sharp heads (as the Germans express it) come together, it is easy to predict the result. M. Place, one of the directors of the *Crédit Mobilier*, failed the other day with engagements to the extent, it is said, of £720,000. What became of the money, and what caused the failure, I am not aware. It might have been misfortune, or it might have been fraud. But whether it was the one or the other, in either case M. Place affords a fair specimen of one or other of the classes which an institution like the *Crédit Mobilier* must attract—the "flat heads" or the "sharp heads." *

* Since this was written, the bankruptcy of M. Place has been set aside, but not under circumstances calculated altogether to reassure the public. The shares of the *Crédit Mobilier* which had been at 1980 francs have sunk by about 300 francs, and it is not likely they will be permanently restored to their former favour.

The following are the particulars as to M. Place, taken from the *Economist* of the 21st instant:—

"The bankruptcy of M. Place, one of our great Stock Exchange speculators, which created such immense sensation on the Bourse at the end of last month, has, on his own demand, been set aside by the Tribunal of Commerce. The bankruptcy was declared at the request of the Company of *Agens de Change*, on the ground that he was unable to meet his engagements, and that he had taken to flight; and it has been reversed on the grounds that he was not unable to meet his engagements, inasmuch as the liabilities to which he is subjected will not have to be paid for some time to come; that he did not take to flight, inasmuch as he merely left Paris to visit some lands and quarries about to be conceded to him in Algeria; that before leaving, he provided abundant means for paying any claims that might arise during his absence; and that the moment he learned by telegraph at Marseilles of the measures taken against him, he hurried back to Paris, and would have arrived in time to prevent the declaration of bankruptcy, if the inundations had not prevented him; and, lastly, that all his principal creditors had given him a certificate that they did not believe him to be insolvent. Although, however, thus relieving him from the stain of bankruptcy, the Tribunal declares in its judgment, that at the time its fiat was issued, 'his affairs were in a bad state, and presented an important deficit.' And this assertion is established by an official report presented to the Tribunal, from which it appears that his liabilities, at the moment his bankruptcy was declared, exceeded his assets by 2,478,000*f.* (very nearly £100,000). He himself, it is true, alleged on the contrary, that his assets were 15,717,000*f.*, and his liabilities only 13,880,000*f.*, which leaves a balance in his favour of 1,837,000*f.*; but the report says that he counted as assets an item of 4,315,000*f.* as the profit of speculations not yet terminated, and which is consequently not yet certain. On the whole, English readers will, no doubt, think the case a very queer example of the way in which business is done in Paris. Either it will seem to them the Tribunal was very hasty in pronouncing its first judgment, or very complacent in reversing it."

The latter conjecture is probably the correct one. An institution, whose success depends so much upon public confidence as the *Crédit Mobilier*, would naturally be disposed to make every effort to remove the stigma which the failure of an individual so high in office as M. Place must tend to produce. And were the *Crédit Mobilier* bent on interfering with the sufficiently pliant French officials, there is no doubt that the government influence it possesses would enable it to carry out its object. The recent accession of M. Place to the office of Director of the Company is dwelt upon in the last Report as a great acquisition; and it cannot be denied that it

But the dividends of the Crédit Mobilier for the past year have been at the rate of 40 per cent; and its 500-franc shares sold for 1980 francs each, or at a premium of nearly 300 per cent. How is this to be reconciled with prognostications of want of success? Very easily, it appears to me. In the first place, it is quite possible those dividends have been paid out of capital, not profits; and that system, we all know, cannot go on long. And, in the second place, it is not unlikely that one of the various avocations of the Company has been really a source of profit, but then a source of profit which must quickly be dried up.* The Company, as before mentioned,

would be highly advantageous for the Company to be able to prove that its confidence had not been misplaced. By the way, M. Place's idea of representing contingent profits as present assets seems borrowed from the Manager of the Crédit Mobilier; for it is to that gentleman, I presume, the following extract from a late number of the *Times* refers:—

"The advices from Paris mention a remarkable instance in which advantage has been taken of the prevailing inflation to effect a *cash realisation of speculative estimates of future profits*. It appears that the Concessionnaires of the Austrian railroads—M. Péreire and three other persons—have valued the claim they reserved for themselves to 10 per cent. of all profits after the payment of 6 per cent. to the shareholders, at a sum equal to 44,000 shares; and that an arrangement has been made to commute it on those terms, and to issue to them that number of shares, which will henceforth be added to the capital of the Company. At present prices, the value of the shares thus to be divided among four persons is about £1,700,000." Thus the Concessionnaires are enabled if they wish, to sell for ready money shares obtained for nothing, and leave the Railway to make the supposed extra 10 per cent. as best it may.

* How precisely the Crédit Mobilier has realised the profits of the past year (if indeed they have been realised), is not easy to discover. In the Report great soreness is exhibited on account of certain calumnies which are said to have been propagated respecting the silence of the Company as to the nature of its operations, and the high prices of its shares. But the silence is excused rather than broken, and little or nothing said about the uses to which the high prices are turned. It is intimated, however, that profits so great as those stated to have been made hitherto are not to be looked upon as a matter of course. "In short, we must add, in order to caution you against any erroneous idea of the future annual accounts, that our profits have been exceptionally increased this year by the part which we have taken in the constitution of various important affairs." That the profits of the Crédit Mobilier have been exceptionally great (or its losses exceptionally small), few will be disposed to contest; for reason and experience alike indicate that the profits of such a Company must in general be expected not only not to be large, but to be absolutely *nil*, and its losses before long to turn out not only not small, but so very considerable as to be incompatible with its continuing in working order. The crisis which I am led to anticipate from the nature and objects of the Crédit Mobilier may be hastened by the enormous losses occasioned by the late inundations throughout France. The destruction of capital which has been effected by the floods, the demand for loans both by government and many of the sufferers to supply the deficiency, and the want of confidence arising from the inability of numbers to meet their engagements, must paralyze operations based on credit, by lessening at once the amount of the funds available for supporting them, and the disposition of the owners of the diminished supply to make any advances except on the very best security. In the Report before alluded to, the Bank of France is indirectly sneered at, because, alarmed at the exportation of specie during part of the past year, it adopted restrictive measures and contracted its accommodations to trade. Perhaps it will now turn out that an institution which has adopted prudent precautions in time may prove in a season of real difficulty all the better able to assist the nation in its troubles. By its early precautions much capital is saved which might otherwise have been lost in a period of speculation, or at least "locked up" so as to be unavailable when required. And owing to its stability those who have been accumulating are willing to make it their Bank of Deposit, while, had it pursued a reckless career, they would have hoarded their money when commercial credit and confidence were low, and thus cut off the supplies of capital at the moment they were most urgently wanted.

may deal in the shares of other associations, buying them and selling them according as it thinks fit. The reputation for power and success which the *Crédit Mobilier* has hitherto possessed, would be quite enough to send up the price of the shares of any Company which it might take as it were by the hand; and then there is nothing to prevent a quiet and unostentatious disposal of these shares at considerable profit. But if it merely sends up the shares of other Companies by virtue of its reputation, and not by any improvement in their condition, it will speedily lose this power if it is discovered that it mixes itself up with other associations, not for the purpose, and with the effect, of rendering them more productive, but merely with a view to speculating in their shares like any stock-jobber.*

* In the Paris correspondence of one of the London journals (July 3rd, 1856), which has just come under my notice, there is an account of some curious proceedings relative to the *Crédit Mobilier*. One of the shareholders, M. Goupy, brought an action to recover damages against the company under the following circumstances:—Some time before, the company had announced that it was about raising money to be secured by the issue of a number of bonds for 500 francs; but that to favour the shareholders they might have a preference for as many bonds as they wanted, on the very advantageous terms of paying but 280 francs for each. In order to become entitled to subscribe to these bonds, numbers purchased shares in the company, and among them M. Goupy. And it is asserted that, at the same time, the directors took advantage of the high prices which the shares attained under the influence of the competition thus set on foot, and disposed of some of theirs to great advantage. They then announced that the promised bonds were not to be issued. Upon this, the deceived expectants became very indignant, and M. Goupy made himself their champion, and prosecuted the company on a charge of swindling, before the Tribunal of Correctional Police. But he failed to obtain a conviction, the company having proved that it was not their fault the bonds had not been issued; the fact being, that government had prohibited the issue, in order to prevent the occurrence of an extra demand on a "tight" money market, for means to subscribe to these very attractive bonds. It is difficult to imagine, however, that such a body as the *Crédit Mobilier*, could not have ascertained beforehand the intentions of government; and, if so, the conduct of the directors is much to be condemned, if, as is alleged, they made money by selling shares at prices enhanced by the expectation of the bonds which, in fact, could not be issued. Nothing daunted by his failure in the criminal court, M. Goupy next brought an action for damages before the Civil Tribunal; but now again the same defence awaited the company, and M. Goupy sustained a second defeat. "The interest of this singular case was greatly increased by the celebrated advocate and parliamentary orator, M. Berryer, having appeared for M. Goupy, and vehemently attacked the *Crédit Mobilier*, not only for the alleged injury done to his client, but also for its general operations. It boasted, he said, in a report issued to its shareholders, of having realised 31,000,000 francs, on a capital of 60,000,000 francs, in the course of a year. But how had it done so? By gigantic gambling. It was, in truth, nothing else than a gambling institution—the greatest gambling house that ever existed in Europe. By its gambling it had caused the ruin of hundreds, and, in the long run, it would ruin itself,—ay, and the empire too by which it had been fostered. In answer to this philippic, the *Crédit Mobilier* laboured to show that it had made its profits not by gambling on the stock exchange, but by legitimate banking operations on a large scale, and by getting up or supporting various great railway and other companies. The public prosecutor, however, who always has something to say on behalf of the people in every case tried here, made some very sharp observations on its operations; and he proclaimed with much apparent indignation that it had scandalously encouraged the fatal passion for gambling which characterised the epoch."

VII.—*Proceedings of the Dublin Statistical Society.*

NINTH SESSION—SIXTH MEETING.

[21st April, 1856.]

The Society met at the Royal Dublin Society House, Jonathan Pim, Esq., in the chair.

W. Neilson Hancock, LL.D., read a paper on "The Advantages of Insurances terminable at Sixty-three, or at death, instead of those at death only."

James A. Lawson, LL.D., read a paper on "The Expediency of a Cheap Land Tribunal."

J. Moncrieff Wilson, Esq., read a paper on "The Civil Service Superannuations."

The following gentlemen were elected members of the Society:—John F. Anster, Esq.; Henry Leland Keily, Esq.; and John R. Wigham, Esq.

SEVENTH MEETING.

[8th May, 1856.]

The Society met at the Royal Dublin Society House, Jonathan Pim, Esq., in the chair.

J. M. Chaytor, Esq., read a paper on "The Currency."

S. M. Greer, Esq., read a paper on "The Bank Charter Act of 1844."

EIGHTH MEETING.

[19th May, 1856.]

The Society met at the Royal Dublin Society House, James Haughton, Esq., in the chair.

J. J. Murphy, Esq., read a paper on "The Private and Local Business of Parliament."

Rev. Thomas Jordan read a paper entitled, "Emigration—how can it be made a mode of improving the condition of the Working Classes?"

The following gentlemen were elected members of the Society:—Henry Wigham, Esq.; William M. Geoghegan, Esq.; and Richard Galbraith, Esq.

NINTH MEETING.

[16th June, 1856.]

The Society met at the Royal Dublin Society House, James Haughton, Esq., in the chair.

The following resolution, recommended by the Council for the

adoption of the Society, was proposed by one of the Secretaries, and passed unanimously:—

“That the law of the Society, passed the 17th June, 1850, limiting the number of resident members to two hundred, be repealed.”

Professor Hussey Walsh read a paper entitled, “Notes on the Société de Crédit Mobilier.”

Alfred Webb, Esq., read a paper on “The Progress of the Colony of Victoria.”

The following gentlemen were elected members of the Society:—Charles P. Mulvany, Esq.; John Haslam, Esq.; and Robert Morton, Esq.

The election of officers of the Society for the ensuing year then took place. The result of the ballot was as follows:—

President.

HIS GRACE THE ARCHBISHOP OF DUBLIN.

Vice-Presidents.

THE EARL OF ROSSE.
THE BISHOP OF CORK.
MOUNTFORT LONGFIELD, Q.C. LL.D.
LIEUT.-COLONEL T. A. LARGOM, R.E.

THE PROVOST OF TRINITY COLLEGE.
SIR ROBERT KANE.
EDWARD BARRINGTON, ESQ.
JONATHAN PIM, ESQ.

Members of Council.

ROBERT BALL, LL.D.
JAMES HAUGHTON, ESQ.
JAMES A. LAWSON, LL.D.
HENRY DIX HUTTON, ESQ.
CHARLES E. BAGOT, ESQ.
WILLIAM HOGAN, ESQ.

THOMAS H. TODHUNTER, ESQ.
JAMES W. MURLAND, ESQ.
JAMES MONCRIEFF WILSON, ESQ.
SAMUEL M. GREER, ESQ.
CONWAY E. DOBBS, JUN. ESQ.
JOHN E. CAIRNES, ESQ.

Treasurer.

WILLIAM F. LITLEDAL, ESQ. 2, UPPER ORMOND-QUAY.

Secretaries.

W. NEILSON HANCOCK, LL.D., 74, LOWER GARDINER-STREET.
PROFESSOR INGRAM, LL.D., F.T.C.D., 40, TRINITY COLLEGE.
PROFESSOR HUSSEY WALSH, LL.B., 27, SUMMER-HILL.

VIII.—Notices respecting Barrington Lectures on Political Economy.

The following gentlemen have been elected Barrington Lecturers for the year 1856-7.

Professor Moffett, LL.D.
Frederick G. Evelyn, Esq., LL.B.
David Ross, Esq., A.M., and
Thomas Busteed, Esq., A.B.

From amongst the towns which applied for courses of Barrington Lectures, the following have been selected:—

Drogheda, Dundalk, Dungannon, Waterford.

The application from Drogheda was made by the ‘Mechanics’ Institute; from Dundalk by the Mechanics’ Institute; from Dungannon by the Literary and Scientific Society; and from Waterford by the Mechanics’ Institute.

JOURNAL

OF THE

Dublin

STATISTICAL SOCIETY.

OCTOBER, 1856.

I.—*The Progress of the Colony of Victoria.*—By Alfred Webb, Esq.

[Read 16th June, 1856.]

How has it happened that the colony of Victoria—occupying a central position with regard to the other Australian colonies, and possessing a fine soil, a genial climate, and greater mineral wealth than any other part of the globe—has caused disappointment and ruin to thousands of emigrants, and even became at one time the scene of bloodshed and civil war? This is the question which I shall this evening attempt to answer: not so much from statistical details as from my own observations made on the spot.

In 1853 I visited Australia in search of health, and spent the greater part of two years in the colony of Victoria. I resided some months in Melbourne, spent a year under a tent in the bush, visited the gold diggings at Reedy Creek and the Ovens, and travelled six hundred miles overland to Sydney. During that time I saw much to shock me in the state of society, especially in the dissolute and intemperate habits of the labouring classes; and I felt that there must be some explanation of this lamentable state of things, besides that afforded by the convict element, and the unsettled state of society occasioned by the discovery of gold.

A short sketch of the rise and progress of this colony will, perhaps, justify me in the conclusion to which I came, that most of these evils are to be attributed to the difficulty of procuring land; the labourer, in receipt of large wages, being thus deprived of the inducement to save his earnings and invest them in a settled home.

The efforts of Mrs. Chisholm and other benevolent persons, to encourage emigration and send out willing hands to turn the Australian wilderness into a garden, were very well in theory. But these philanthropists overlooked, or were ignorant of the fact, that, with the exception of the squatters (who are but a small portion of the community), the bushmen had no homes, nor any portion of the wilderness to turn into gardens; that for want of these they are leading a half-savage life, rarely stopping with one employer more than a few weeks, and spending their earnings in gross excess and licentiousness. Thus these well-intentioned efforts were worse than useless; and Mrs. Chisholm herself has had bitterly to regret her mistake, and to declare that, had she known the difficulty of procuring land in Australia, she would never have recommended emigration thither as a remedy for the social evils of her own country.

Although New South Wales was settled in 1788, and Van Diemen's Land in 1804, it was not until 1834 that the first permanent settlement was effected in Victoria—or, as it was then called, "the Port Philip District." In that year, Mr. Henty, of Launceston (Van Diemen's Land), encouraged by the reports of whalers and others who had visited the coasts of South Australia, conveyed a number of sheep across Bass's Strait, and commenced a pasturage and whaling establishment at Portland Bay.

The following year, Mr. Bateman, in conjunction with some companions, purchased six hundred thousand acres from the natives of Port Philip, for about £200 worth of trinkets, and settled on a promontory in Port Philip Bay, now known as Indented Head. They were not long left in quiet possession, for before many days a vessel passed their settlement and anchored higher up the Bay. This was a rival party of colonists from Launceston, headed by Mr. Falkner, who has ever since been one of the most able and energetic men in the colony. Mr. Falkner's party proceeded eight miles up the river Yarra Yarra, and selected a spot for their settlement where no white man had ever stood before; and which is now, after twenty-one years, the site of the city of Melbourne, with her shipping, steamers, and wharves; her banks, theatres, and hotels; and her port thronged with the vessels of all nations.

Many others of Mr. Falkner's associates soon arrived; and Mr. Bateman, alarmed at this invasion of his territory, went up from Indented Head, and established a rival camp in sight of Falkner's. He applied to the Governor of Van Diemen's Land against Falkner's invasion, and being dissatisfied with the decision, he applied to the home government, who disallowed his claims, but awarded him and his companions £7,000 as compensation for their enterprise as first settlers.

The country being now thrown open, crowds of adventurers flocked over from Van Diemen's Land and New South Wales, with cattle, sheep, and horses, and the land was widely occupied with their flocks and herds. These early settlers endured terrible hardships and difficulties; their stock perished in great numbers in the bush-fires that constantly ravaged the country, and they suffered still more severely from the incursions and determined hostility of

the blacks.* Doubtless this hostility was owing, in the first instance, to the white man's aggressions on their territory, and to the violence and injustice with which the settlers often acted towards them. It is hard to say how far civilized nations are justified in the means they take to establish their authority in barbarous regions; but wherever the white man plants his foot, a baptism of blood is almost sure to follow before he establishes his claim to possession. The quarrel in Port Philip soon became a struggle between pillage and murder on the one hand, and ruthless barbarity and cold-blooded massacre on the other. Bread poisoned with arsenic was purposely left in the way of the blacks—the water-holes near which they were likely to congregate were poisoned in the same deadly manner,—regular parties were made up to shoot them. The rifle, the poison, and the rum of the white man, were more than a match for the wooden weapons and the cunning of the black; and, within the precincts of the colony, the aboriginal inhabitants are now a broken-spirited and degraded race.

In 1836, the Port Philip district was in such a flourishing condition, that the New South Wales government did it the honour of annexing the territory to their own, and sent a magistrate to assert their supremacy, who called a meeting of the inhabitants, at which the sites of Melbourne, Williamstown, Geelong, and Portland were confirmed.

In 1837, the population amounted to three thousand; and Sir Richard Burke (the greatest and best of all the Australian governors) paid the colony a visit. He further confirmed the selection of sites for townships, and directed that their sale should commence immediately. Melbourne was laid out, surveyed, and divided into allotments, which were put up for sale. A reign of ruinous speculation in land now commenced. With an unlimited extent of land at its disposal, the government sold it only in small quantities at a time. These were speedily bought up by speculators, by whom they were sold and resold many times; so that an allotment which in 1837 had sold for £50, rose to £4,000 in 1839. The titles fell into inextricable confusion; and the whole proceeding ended in a commercial crisis and a general crash in 1840. Land fell to one-tenth of its former price; and many were ruined by this deteriora-

* The term native is applied to a white person born in the colony. "The blacks" is the only appellation by which the aborigines are designated.

† I can vouch for the truth of the following incident, which occurred about twelve years ago, when the colonial government was just beginning to put down such barbarities with a strong hand. I have often seen B., who is still living.

B. and M. made an excursion on some business affairs into the Eumeralla district, about two hundred miles from Melbourne. Being at a loss for amusement, they set off one day to "shoot a few blacks." They did not meet any of the men, but came upon an encampment of women and children; some of whom they maltreated and butchered. When they had finished this exploit, M. saw that they had been observed by a white stockrider who was passing. He promptly mounted a fleet and strong horse, rode to Melbourne in twenty-four hours, paid some visits, and returned home at his leisure. The miscreants were arrested and brought up for trial. M., however, brought forward witnesses who proved his presence in Melbourne twenty-four hours after the time he was alleged to have been an actor in the butchery at the Eumeralla; and as it was considered impossible that he could have been at the two places within such a short space of time, the trial was quashed, and the prisoners liberated.

tion in the value of their property. Others were reduced to great distress, and had to seek homes in the adjoining colonies.

After two years of great depression, matters began to mend; and by 1845 the colony was in a healthier and better condition than ever. The population had increased to 28,000; the imports to £248,000, and the exports (principally of wool and tallow) to £464,000 per annum; the two latter having doubled within a year. The squatters had found it more profitable to boil down their sheep and export the tallow, than to sell them at a merely nominal price.

I shall now look back a few years to trace the progress of the land question.

The original settlers took possession, as squatters, of as much land as they found necessary for the pasturage of their flocks and herds. This was, indeed, the most natural arrangement at the commencement of the colony, nor had the government power to order it otherwise. Those who wanted to *buy* land paid five shillings an acre. Things went on very well in this way; the squatters first occupying the land and then buying it for themselves, or else giving place to others and moving back upon unoccupied tracts. And so they would have continued to do, were it not for the interference of the home government, influenced by the colonizing schemes of Mr. Gibbon Wakefield. The plan of this gentleman was to sell the lands by auction at the high upset price of £1 per acre, and thus secure the land in the hands of men of property, and keep the colonists concentrated. The proceeds of the sales were to be devoted to the introduction of free emigrants, so that the settlers of capital might be well supplied with labour at low rates. By dint of puffing, false statements, and denouncing all opponents as interested parties, he gained the attention of the English press and government to his plan for making his colony of South Australia a "model colony," he obtained a charter, and formed a company for carrying out his projects. But after a short time of apparent prosperity, his plan proved a complete failure. Capitalists found it did not pay to give a pound an acre for land at the other side of the globe, and renounce all the comforts of home and civilization in order to occupy it; while those who were really fit for colonists, hard-working industrious men with small means, could not afford to pay such a price. Very little land was sold, beyond what was bought up at the first rush; there were, therefore, no funds to send home for labourers, and wages consequently rose to such a height that agricultural pursuits were abandoned, and the colonists spread over the country to find pasture for their stock on land for which they paid nothing. And thus, results exactly opposite to the anticipated *concentration* and *cheap labour* were arrived at.

But as yet the fallacy of the scheme was not detected. When Mr. G. Wakefield and his coadjutors saw that it did not work well, they addressed the home government to the following effect:—"How can our settlement attract emigrants, while the adjacent colony of New South Wales is selling land at five shillings per acre? Raise land there to the same price as ours, and we shall then get on smoothly together." Acting on this suggestion, the government, which seems to have placed implicit confidence in Mr. Wake-

field's views, directed Governor Bourke to raise the price of land in New South Wales to one pound per acre. He, however, foreseeing the bad results that would follow, acted on his own responsibility and continued the former upset price of five shillings.

Unfortunately for the colony, Governor Bourke was in 1838 superseded by Sir George Gipps; and the Wakefield party renewing their demands, the home government directed that the land in New South Wales should be raised to twelve shillings per acre; at the same time instructing the governor to take measures for checking the sale of land even at twelve shillings, if he should observe that the extension of the population took place with a rapidity beyond what was desirable, and that the want of labour continued to be seriously felt.

But nothing was gained by the change. People would not pay the high price for land; settlers continued to spread over the country as squatters; the land-sales almost entirely ceased, and so did emigration.

Still the home government was prepared to go farther in backing up Mr. Wakefield; and in 1842 they passed an Act (5 and 6 Vict. c. 36) "for regulating the sale of waste land belonging the crown in the Australian colonies." The substance of this Act was, that no lands must be held unless they had been bought or were held by licence; the lowest upset price to be £1 per acre; leases to be granted for not longer than twelve months; and half of the proceeds of the land-sales to be applied towards introducing emigrants from home. It was left to the governor to raise the price of any land he thought worth more than £1 per acre, and to issue such regulations as he might see fit for the occupation of waste lands.

Empowered by this Act, Sir George Gipps issued a code of regulations, reducing the size of "runs" to twenty square miles. On these he imposed an annual licence of £10; and by assessments on stock and other regulations he did all in his power to force the squatters to buy their runs; which it was clearly impossible they could do, at the high price at which alone land was legally sold—since a "reduced" run of twenty square miles would require a sum of upwards of £12,000 to purchase it.

As might be expected, these regulations met with strong opposition; not only from the squatters, but from the rest of the community, who foresaw in the downfall of the squatters their own ruin. They formed an association for the vindication of their rights; claimed fixity of tenure by lease, with right of pre-emption; and refused to pay taxes. The whole country was convulsed; meetings were held in Sydney and in Melbourne, at which the speakers advocated total separation from the mother country, if the obnoxious regulations were not rescinded.

After the retirement of Sir George Gipps in 1847, the government went from one extreme to another. Instead of refusing, as heretofore, to make any concession, they passed an order in council which virtually handed over the whole colony into the hands of the squatters. They were granted leases, (with the right of pre-emption, for 320 acres or upwards, at one pound per acre without auction) and at the termination the lease they might claim compensation for im-

provement. The rent, which was calculated on a poll-tax of 4,000 sheep and 600 head of cattle as a minimum number, effectually excluded all small capitalists from the occupation of the land; the upset price of one pound per acre remained the same.

However, notwithstanding these regulations and changes, the district of Port Philip continued to thrive, and in 1849 the population amounted to 60,000. They began to feel it a grievance to have their legislation carried on at Sydney, 700 miles off; especially as the government of New South Wales was not very scrupulous in appropriating the Port Philip revenues to its own purposes.

It was not long ere their desire was granted; and on the 2nd of July, 1851, Port Philip was proclaimed an independent colony, under the name of Victoria.

About a month before that date, gold was discovered in New South Wales by Mr. Hargreaves, an old Californian, who had been led to suspect its presence by the similarity of the country to California. The colonists could not have been more astonished if a magazine of gunpowder had exploded beneath them, than they were at finding that the ground they had been walking over contained such treasures. I have been told that shepherds and others had found nuggets of gold long before the public discovery, and that some canny people got rich in this way, but kept the secret to themselves.

In September, 1851, two months after the independence of the colony was proclaimed, it was disclosed to the world and to the astonished Victorians that their country was richer in gold than any other known spot of the earth. All the able-bodied men rushed off forthwith to the diggings, in the vicinity of Mount Alexander; thousands poured in from the adjacent colonies; and when the report, in a highly exaggerated form, reached Europe, ships could not be found sufficient to convey the multitudes who were anxious to share in the golden harvest. Wages, and the price of all articles of consumption, reached unprecedented rates, and the import trade more than quadrupled.

In four months after gold was discovered, it was procured at the rate of £250,000 worth monthly. Government organized a large body of mounted troopers for the protection of life and property at the gold fields, and appointed commissioners for the administration of justice. The expenses of this new department were defrayed by a monthly tax of thirty shillings on each digger. About three months after the imposition of this license, the government announced that they were about to double it; but this measure met with such decided opposition that they withdrew it immediately.

This readiness of the government to impose an exorbitant tax, and the subsequent weakness of withdrawing it as soon as opposition arose, had a bad effect on such a mixed class as the diggers. It lessened their respect for the consideration and firmness of the authorities, and gave them a great idea of their own strength.

During 1852, the excitement of the gold fever continued on the increase. Immigrants poured into Melbourne at the rate of 10,000 weekly; and much misery was caused by the crowding of such

multitudes into a country totally unprepared for them, and by the fact that thousands of these strangers were entirely unfit for the kind of work required of them in their new circumstances. Of this I have, myself, seen some lamentable instances. I knew a man who was employed as cook for thirty shillings a week, and who had given up a situation of £500 per annum, in London, to better himself in Australia; I have seen ex-Manchester cotton-spinners, and army and navy officers, working at the hardest manual labour; and, on one occasion, I met in the bush a navy lieutenant driving a dray for a digger and his wife, who allowed him only his diet for his services. He had lived for a time in Dublin in the days of his prosperity, and spoke regretfully of the delights of a lounge up Grafton-street on a fine afternoon, of evenings at the Theatre Royal, and of suppers at Jude's.

The treasures obtained at the diggings by men unaccustomed to such a flood of wealth, were squandered in the most reckless manner. Melbourne was full of lucky diggers, whose only object was to get rid of their money as fast as possible. Some ate bank-notes between slices of bread and butter, as sandwiches; others stood at the corners of the streets with tubs of brandy, offering drink to the passers-by; or drove about the streets, drinking and shouting, in carriages for which they paid at the rate of twenty pounds per day. It was an insult to offer change to one of these gentlemen, who would fling a handfull of money to the shopman and tell him to take as much as he liked.

The publicans were the chief winners from this wild extravagance. Many of these have retired, after being six or twelve months in business, with fortunes of £40,000 or £50,000. I have known many instances of men spending £800 or £900 at a public house in two or three weeks. It was not alone by diggers that this madness was practised; the high wages received by workmen vanished, to a great extent, in the same manner. At that time labourers were paid fifteen shillings for a day's work; carpenters, twenty-eight shillings; bricklayers, thirty shillings; and plasterers even three pounds per day. The recipients of these enormous wages were often worse off (owing to the ruinous way in which they spent their money) than if they had been working at home for low wages and living on bread and water.

Now was the time to throw land freely into the market, and open a rational and profitable way to invest these unusual and ill-spent earnings. Millions of money would, doubtless, have been thus invested, had the land been easily attainable. I have no doubt that thousands who went to the colony with the intention of settling, left it in disgust on finding it almost impossible to obtain a tenure of the soil.

We have seen that the orders in council of 1847, besides fixing the high rate of one pound per acre, virtually handed the country over to the squatters. The consequence was that every acre of land that was sold, even at that high rate, was sold against the will of this class. And as they were the dominant party in the Legislative Council and in the Executive, they threw every obstacle in the way of free sale. With millions of acres at their disposal,

and thousands of people eager to buy, the authorities doled out the land in miserable handfulls. During 1852, only 250,000 acres were sold, at an average of £6 per acre. In the suburbs of Melbourne land was sold for £20,000 per acre. A friend of mine paid, until lately, at the rate of £2,600 per annum for a house in Melbourne, about the size of an ordinary house in Dame-street. In company with some friends I rented a small four-roomed cottage, each room about twelve feet square, for which we paid at the rate of £200 a year, weekly, in advance. As one result of this state of things, people were crowded and huddled together in the Melbourne boarding-houses like pigs; and many of the new arrivals had to spend their nights in the streets of Melbourne, or among the goods on the wharves, before they could get lodgings of any kind.

The streets and wharves of Melbourne were at this time in a deplorable state. What with the scarcity and dearness of labour, and the incessant arrival of goods and emigrants, there was no time for constructing or repairing them, and in the rainy season they were like quagmires. Thousands of pounds' worth of property were swallowed up in the mud on the wharves, and never recovered. The freight of goods from the harbour up to Melbourne (a distance of eight miles) was nearly as high as the previous freight from Great Britain. Cartage to the diggings rose to £120 per ton, for the distance of 80 miles; so that, high as the prices of goods were in Melbourne, they were doubly so at the diggings.

The state of the tracks to the diggings (for roads there were none) was the chief cause of these high rates of carriage. The teams proceeded at a snail's pace. The unfortunate bullocks and horses now floundering through quagmires, now stemming swollen creeks and rivers, or ascending hills that would astonish the boldest drivers on the wildest road in Kerry. Drays were often two or three months in going the distance of 70 or 80 miles. On one occasion, during the winter, I spent a week in going 40 miles with a dray; on some days we had to unload the dray three times to lighten the bullocks.

Society was, at this time, in a highly disorganized state. Robbery and violence were perpetrated in the open day, almost with impunity; the police often being in league with the marauders. At three o'clock one afternoon, a body of bushrangers took possession of the road between Melbourne and its suburb St. Kilda, and robbed and maltreated all who passed. The ship *Nelson* lay in Hobson's Bay, ready to sail for England, with 4,000 oz. of gold on board. Some desperadoes put off to her in a boat, surprised and bound the crew, rigged a tackle into the hold, and hauled up the gold, swearing it was the finest diggings they ever made. The gold escort from the M'Ivor diggings was stopped and robbed, and several of the troopers shot. The daring and ferocious exploits of these bushrangers would fill volumes. Of course many were brought to justice, and during the first six weeks of my stay in Melbourne, there were six public executions.

Towards the end of the year 1852, the government began to attempt something towards ameliorating the unsettled state of affairs. Wooden wharves were erected; enormous sums were voted by the Colonial Legislature for the formation of roads and bridges on the

way to the diggings, and for macadamizing the streets of Melbourne. Much was thus effected, and much more might have been done but for the extravagance and the shameful jobbing that were carried on.

A strong body of efficient police was organised, and contributed greatly towards the restoration of confidence and security. New diggings were constantly being discovered, chiefly through the enterprise of Americans, and the yield of gold reached the high average of one million sterling per month. Still the average earnings on the gold fields were below the average rate of wages throughout the rest of the colony. Indeed it must always be so in gold-digging countries; for so long as a man can live and support himself at the diggings (where he has a *chance* of making his fortune) he will not be likely to leave them, unless more than his average earnings are offered him elsewhere.

The statistical statements connected with the early history of Victoria are vague and often contradictory; but the following table is given from the official report of the Gold Field Commission:—

	1852	1853	1854
Value of gold produced	£14,866,789 ..	£11,588,782 ..	£8,770,796
Population on diggings	35,000 ..	73,000 ..	100,000
Average earnings of each digger..	£420 ..	£180 ..	£82

The stream of immigration continued unabated during the first half of 1853, averaging 2,500 weekly. In May, 1853, the enormous pouring in of merchandize on a population of only 200,000 persons, began to have a most depressing effect on trade; and, as the influx of goods still continued, the market for most articles became completely glutted. Goods were often sold at a price that scarcely covered the freight and charges; and many speculators made well by buying goods and shipping them home to England. The total imports in 1853 were valued at about sixteen millions sterling, or £80 a head for each colonist; which far exceeded the natural demand.

The dissatisfaction occasioned on the diggings by the licence fee of 30s. per month, and especially by the arbitrary and intolerable manner in which it was collected, had reached its climax; and in September, 1853, many large armed meetings were held at the Bendigo and other diggings to protest against it. The government was alarmed, and appointed a committee to enquire into the causes of the discontent. The commission sat, made some investigations, and recommended several slight amendments, which were carried out; but the evil was too gigantic to be so easily coped with. Nothing was done to purify the corrupt administration at the gold fields, or to throw land freely into the market, and we shall see the results of this neglect.

Next to 1851, the year of the gold discovery, the year 1854 is the most important in the annals of the colony of Victoria.

Soon after the discovery of the gold, Governor Latrobe sent home his resignation, feeling unable to deal with the requirements of the new state of things. The government remained in the hands of commissioners, till Admiral Sir Charles Hotham arrived from England to take the reins. His reception was most enthusiastic, for much was hoped from his reputation for energy and ability. Unfortunately these favourable anticipations were not realized; his position would

have required a man of greater tact and talent than he possessed, and was indeed a very difficult one. Hampered by the provisions of Acts of Parliament, badgered by the colonial press, and embarrassed by the claims of the squatters on the one hand and the diggers on the other, his situation was most unenviable; and there is little doubt that his death, in the early part of this year, was caused by the disappointment and annoyance he underwent.

The continued imports on the already depressed market in the middle of 1854, added to the decline in the yield of gold, and the enormous arrivals of immigrants, resulted in a crash amongst the mercantile community. One great failure led to another, and a general panic ensued. In 1853 there had been 25 cases of insolvency in Melbourne; in 1854, the number amounted to 186. Almost all public works and private buildings were suspended; wages fell lower and lower, and at length it became difficult to get employment in Melbourne on almost any terms. The value of land and of rents fell to about a quarter of what they had been; and it was found that the colony was upwards of three millions sterling in debt, betraying great incapacity or extravagance on the part of government. This critical state of affairs contributed to fan the flame of discontent, which broke out at the Ballarat diggings in 1854.

I have mentioned that the amendments which were passed by the Commissioners in September, 1853, with respect to the licence fees, and other matters at the gold fields, failed to meet the case or to give satisfaction. Public meetings were constantly held, and other demonstrations made, but nothing serious had yet occurred. In October, 1854, a man was murdered in a hotel at Ballarat, and the landlord (a Mr. Bentley) was suspected of being implicated. After much noise about it, he was brought before the police magistrates; a superficial examination ensued, and he was acquitted, though the evidence was clearly against him. It was supposed that some of the magistrates had a share in his hotel, and that he owed his acquittal to this fact. A great outcry was raised,—the people took the law into their own hands and burnt down the hotel, and Bentley with difficulty escaped with his life. The government appointed a commission to inquire into the affair, and the result was, that the popular suspicions were confirmed with reference to two members of the bench and a serjeant of police. Bentley was again arrested, tried, and found guilty of manslaughter. Still there was no reform in the administration on the gold-fields, and things were allowed to jog on in the old style.

Towards the end of November, a large meeting of the diggers was held at Ballarat; they unfurled the banner of the Southern Cross, burned all their licences, and resolved to take out no more. Next day the commissioners collected a large body of police, and went round among the diggers, requiring them to produce their licences—a highly imprudent step in the excited state of the public mind. The diggers showed a defiant front, the Riot Act was read, and the first blood spilled. The diggers organized themselves into a body, and having been drilled in large numbers by some old soldiers of their party, they entrenched themselves behind a stockade, and

levied a "black mail" of guns, ammunition and provisions from the storekeepers. On Sunday morning, December 3rd, the military and police stormed their stockade, carried it, and dispersed the diggers—thirty of the insurgents being killed, forty wounded, and one hundred and fourteen taken prisoners. The military had only four killed and thirteen wounded.

The direction which the sympathies of the colonists took on this occasion may be inferred from the fact, that when the prisoners were taken to Melbourne for trial, they were one and all acquitted. One of the ringleaders, for whose apprehension a reward of £500 was offered, is now a member of the Legislative Council.

This terrible outbreak convinced the government of the uselessness of half measures. Another commission was appointed, and after a lengthened, careful, and impartial investigation, they gave it as their opinion that the insurrection was owing to the following causes :—

"(1.) The license fee, or more properly the unseemly violence often necessary for its due collection,—a result entirely unavoidable in thus taxing for this considerable rate every individual of a great mass of laboring population : involving, as it did, repeated conflicts with the police, an ill-will to the authorities, from their almost continuous "hunt" to detect unlicensed persons, and the constant infraction of the law on the part of the miners, resulting sometimes from accident in losing the license document, or from absolute inability to pay for it, as well as from any attempt to evade the charge.

"(2.) The land grievance ; the inadequacy of the supplies of land as compared with the wants of the population ; the want of sufficiently frequent opportunities, and upon reasonable terms, for the acquisition of a piece of land ; the difficulty, amounting with thousands to an impossibility, of investing their small capital or their earnings of gold upon a section of ground ; from want of which facilities many thousands, it is to be feared, have left and are still leaving this colony to enrich other countries with their industry and capital.

"(3.) The want of political rights and recognised status ; the mining population of this colony having been hitherto, in fact, an entirely non-privileged body, invidiously distinct from the remainder of the colonists, consisting of large numbers without gradations of public rank, political representation, or any system for self-elected local authority ; in short, contributing largely to the wealth and greatness of the colony, without enjoying any voice whatever in its public administrations."

They recommended an entire alteration in the administration on the gold fields ; the extension of political rights to the diggers as well as to the other sections of the community, and the imposition of a very low licence-fee to maintain a small police force at the diggings. To supply the deficit in the revenue, caused by the abolition of the old licence fee, they proposed an export duty of 2s. 6d. per ounce (or about three per cent.) on gold. But, above all things, they recommended that land should be freely thrown into the market.

Most of these suggestions have been carried into effect. And now that the crisis of danger has passed, and the colony has the management of its own affairs, there is every reason to look forward to a brilliant future for Victoria. By the latest accounts gold is being procured in greater quantities than ever, and by the aid of machinery a great deal of what had been hitherto unprofitable digging is being worked to great advantage ; the improvements and number of public works that are going forward have caused a renewed demand for labor ; commerce is carried on in a more

healthy manner, and things on the whole appear to be as prosperous as ever. But a cheap and plentiful supply of lands is of the first importance to the prosperity of the colony; and it is only when she offers this to the world that she may expect that free and healthy emigration to her shores which is indispensable to her permanent advancement and prosperity.

APPENDIX.

Year.	Population.	Imports.	Exports.	Land sold.	Value of Wool.
		£	£	Acres.	£
1836	1,000				
1837	3,000		14,000		10,000
1838	5,000	71,000	21,000	39,000	19,000
1839	7,000	205,000	78,000	38,000	70,000
1840	10,000	392,000	155,000	83,000	160,000
1841	14,000	335,000	139,000	51,000	120,000
1842	19,000	264,000	204,000	9,000	150,000
1843	22,000	183,000	278,000	1,000	200,000
1844	24,000	151,000	257,000	200	200,000
1845	28,000	284,000	464,000	4,000	300,000
1846	34,000	316,000	425,000	5,000	300,000
1847	42,000	438,000	669,000	26,000	400,000
1848	50,000	374,000	675,000	23,000	400,000
1849	60,000	480,000	755,000	23,000	600,000
1850	70,000	745,000	1,042,000	100,000	800,000
1851	95,000	1,056,000	1,424,000	70,000	700,000
1852	180,000	4,044,000	7,451,000	257,000	1,000,000
1853*	220,000	15,842,000	11,061,000	300,000	1,600,000

II.—*Observations on the Present Export of Silver to the East.*—By Richard Hussey Walsh, LL.B., late Whately Professor of Political Economy in the University of Dublin.†

So far back as the time when Pliny termed India the sink of the precious metals, silver was a favourite article of export to the East. It has continued so since, but of late the trade has assumed an extraordinary magnitude. In the five years prior to the present, over £22,000,000 have been exported through England alone to India and China; and from other countries a similar movement has been in operation. In 1855, the exportation from England reached the amount of £6,400,000, and this year it is proceeding at the rate of upwards of £10,000,000 per annum, judging from the returns

* I have not been able to procure reliable statistics for the years 1854 and 1855.

† Read before the Statistical Section of the British Association, Cheltenham, August 12th, 1856.

which have been published for the first five months, as given in the *Economist* of June 14th, 1856, p. 655:—

January	£481,516
February	944,319
March	852,618
April	809,862
May	1,152,013
	<hr/> £4,240,328*

* The extent to which England is at present exporting specie, especially gold to France, and silver to the East, makes some feel uneasy lest the national resources should eventually prove unable to bear such extraordinary pressure. A glance at the following table of our imports of gold and silver during the first eight months of the present year will show that these fears are groundless, the fact being that England is now but the channel through which a considerable portion of the precious metals is distributed throughout the commercial world:—

January	£2,062,500
February	895,500
March	1,555,700
April	1,955,600
May	2,756,300
June	2,917,100
July	3,096,500
August	2,907,300
September (first week)	1,173,000
	<hr/> £19,319,500

At the same rate for the entire year, the import of specie would exceed £28,000,000. But it will be observed the supplies received are much greater in the later than the earlier months of the series; and if this be taken into account, it would lead to the inference that the import by the end of the year will not fall short of £30,000,000, but in all probability will surpass that amount. Of this enormous sum there is required for domestic purposes comparatively a small portion. If we say £10,000,000 are as much of the new supplies as will be consumed in the United Kingdom for plate and ornament, and employed in coinage for domestic circulation, it is more likely the estimate will be erroneous on the side of excess than deficiency. It should not be forgotten that gold is often coined at the royal mint merely for the sake of being rendered more convenient for exportation, not for employment in the home market. The coinage costs nothing but a little delay, and when the operation has been performed, the gold in the shape of sovereigns is more generally available as an instrument of commerce than if it were without those guarantees of quantity and fineness impressed by the stamp at the royal mint. So far as gold is concerned, a comparison between the imports and consumption of that metal in France suggests a different conclusion from that arrived at in our case. With us, the necessary inference is that much of what is imported must be exported. But when France is considered, the wonder is whence all that is employed at home there can be furnished, exceeding as it does the entire amount returned as imported, according to the following table:—

GOLD.

	Coined.		Imported.		Exported.		Retained.
1853 ..	£13,100,000	..	£12,700,000	..	£1,500,000	..	£11,200,000
1854 ..	£24,480,000	..	£19,200,000	..	£2,500,000	..	£16,703,000
1855 ..	£16,140,000	..	£15,200,000	..	£6,500,000	..	£8,700,000
	<hr/> £53,720,000	..	<hr/> £47,100,000	..	<hr/> £10,500,000	..	<hr/> £36,400,000

Here we see the coinage exceeds the imports; and when we also take into account that more than £10,000,000 have been exported, coupled with the fact that French coins, because charged with a seignorage, are not usually selected for transmission to

Unlike the old movement of silver to the East, the present cannot be permanent. The former was rarely more than might be accounted for as the distribution of that metal to some of its principal customers—the nations of the East—according as fresh supplies were raised in the silver producing countries. But now silver is going faster to the East than it is produced throughout the entire world, and therefore the process cannot go on long, but must come to an end as soon as the redistribution of the old stock has been effected. For the annual production of silver is only about £8,000,000; and since the export to the East through England alone is now at the rate of over £10,000,000 per annum, it follows that it cannot be the new supplies which meet the demand for the silver so transmitted, but there must be some auxiliary fund to be drawn upon. There is silver purchased each year for Holland and Belgium, where that metal is the standard, for England and other countries where it is used for the subsidiary coinage, and for many places besides where it serves a variety of purposes. To this we are to add the demand for the East, both that which is met by transmissions through England, and that which arises in the direct trade with America and France. Such is the annual demand for silver; but one of these items alone, the transmission through England, exceeds the entire of the annual supply. The remainder must come from the old stock of that metal.

This unusually large movement of silver admits of an easy explanation. In a paper I brought before this Association at Glasgow last September, I had occasion to notice an extraordinary cessation in the demand for silver in countries using a double standard, a circumstance I adverted to in order to show the fallaciousness of concluding from the comparative steadiness in price of that metal, that gold had remained equally unchanged in value. For the cessation in the demand for silver must have acted in the same way as a corresponding augmentation of supply, and thus have rendered the one precious metal just as much in want of a test to ascertain what fluctuations in value it had experienced, as the other whose production had been increased. In France and the United States silver had been coined, on an average, at the rate of about £4,000,000 per annum until within the last few years; until, in other words, the same time as the unusual export to the East set in. Since then, the coinage of silver has almost ceased in those countries; the growing abundance of gold having led to its preference as a medium of exchange, owing to the standard of those countries being double,—that is, owing to the existence of a currency law allowing parties to make payments to any amount in sums of money containing fixed relative quantities of either of the precious metals indifferently. Nor is this cessation of demand all that happened.

foreign countries; and further bear in mind that no small quantity of gold is consumed each year in plate and ornament; the inference is that much of the imports of specie into France do not appear in the customs returns. It is not to be doubted that the same is the case with ours; but while the French tables of coinage and import lead to such a conclusion as a necessary inference, the corresponding return for England would be silent on the subject, as it must exhibit an enormous excess of importation over consumption, instead of a balance in the opposite direction.

Not only did the coinage of silver come to a stand, but the old coins were largely melted down and exported.*

The following table will give some idea of the extent to which France is being drained of her silver under the influence of these causes. It is taken from returns, published last June by the customs department of the trade of France with foreign countries and her colonies during the years 1853, 1854, and 1855; and bearing in mind the growing dislike of the French government to the export of silver, and the extreme facility with which the operation can be concealed, it is probable that much more has been parted with than is shown by the table:—

SILVER.

	Import.		Export.		Excess Exported.
1853	-- £4,500,000	--	£9,100,000	--	£4,600,000
1854	-- £3,900,000	--	£10,500,000	--	£6,600,000
1855	-- £4,800,000	--	£12,700,000	--	£7,900,000
	£13,200,000	--	£32,300,000	--	£19,100,000

In some other countries of minor importance a similar movement has been going on; and the effect is just the same as if a silver California had been discovered, so far as the countries are concerned which still employ that metal as the standard. No one thinks it extraordinary that gold is exported on a great scale from California and Australia to the various nations which employ that metal; and it is quite as natural that when large supplies of silver are seeking a market, (it matters not whether newly extracted from the earth or just taken from the melting pot) they should find their way to those places where silver is generally employed. But India, China, and other Eastern nations come under this description, and hence the late extraordinary exportation.

I should in this paper have done nothing more than show why extraordinary supplies of silver have been thrown on the market, and then state, as an obvious inference, that these must find their way to the remaining customers for that metal, but that I have found there exists among those who call themselves practical men an inclination to adopt any explanation rather than this. But I am not surprised. From the general steadiness in the value of the precious metals, any extraordinary transmission of either from one country to another is usually first set in motion by circumstances affecting the demand or supply of some of the commodities in which they trade, other than gold or silver. Some domestic product fails, and gold or silver is sent forth to pay for a substitute. Or the converse takes place, the failure occurring abroad, and the precious metals seeking the home market to purchase the means of supplying the

* As the United States returns still exhibit an annual coinage of silver, it will be asked how is this to be accounted for consistently with what has been above stated? What is the object of coining if the coins can fetch their value only by being melted down and exported? The reason is that the new silver coins, just like our own, are subsidiary to the gold money, and purposely over-valued compared with it; so there is, therefore, no object to melt them. The American law on this subject, passed in 1853, is the same in principle as ours of 1816.

deficiency. Sometimes failures occasion an opposite result, as when the article whose supply is deficient is principally consumed in other countries than that where it is raised, and the advance in price consequent on the short supply more than counterbalances on the whole, so far as the price of the entire supply is concerned, the diminution in the quantity actually sold. Thus, when the cotton crop is short in the United States, England—the principal consumer—has sometimes to pay more for a smaller quantity, owing to the rise in price, than a more ample supply costs her in seasons of abundance; and a balance in money is usually transmitted accordingly. In all these cases, the movement of the precious metals is primarily occasioned by changes in the value of other articles. Their own value is at a uniform level when disturbances in the market for commodities of a different kind open a channel, and thither gold and silver flow. Some extraneous circumstance creates a peculiar demand for them as a medium of purchase or repayment, and they follow the direction so marked out. Such is the ordinary case; but it is not the present. It is not that disturbances in the produce market have opened new channels for silver in the East; but silver in the West has overflowed those it was accustomed to—driven out by the gold wherever a double standard prevailed, and then poured on to the East where there was not the same cause in operation to displace it, or keep it out. And, looking to silver alone, this movement is not in the nature of extraordinary importation, stimulated by scarcity at home, but like that which arises from unusual abundance abroad. There were extraordinary imports of food into England in 1847, a year of famine and dearth; so also in 1849, a year of plenty and cheapness. In the first instance, it was scarcity at home, and consequent dearth, that attracted the unusual supplies to our shores: in the second, it was abundance abroad, and the resulting cheapness, which repelled them from the foreign markets and brought them to ours, where prices did not rule quite so low. On general principles this movement of silver is easily explained; but those who are unaccustomed to deal with such, find a difficulty in comprehending an event so very unusual, because their experience fails to furnish them with a specific instance. Hence, those who endeavour to account for the matter by aid of personal experience alone have nothing to guide them in this instance, and are completely at fault. Some tell us the cause of the export is the state of the balance of trade—that is, a deficiency in our export of commodities to the East, and consequent necessity of making up for it in specie. An increase in our imports of tea and silk from China has of late years set in, and the silver goes, it is alleged, to pay for the balance thence arising. But here it is overlooked that the disturbance in the trade of tea and silk requires an explanation just as much as the drain of silver; and in the absence of any, it might as well be said that the transmission of silver causes tea and silk to be sent in return, as that the necessity of paying for more tea and silk occasions the export of silver. Tea and silk are the staple products of the East; and, therefore, if any circumstance led to an advance in our exports to that quarter, there is nothing surprising in the

trade in those articles extending. But an attempt has been made to prove that the impulse was communicated to those articles in the first instance; that the political confusion which has prevailed in China for the last few years has caused the inhabitants to export her staple products more largely than usual, every one being anxious to sell, and thus convert his property into ready money. But the same cause which increases the disposition to sell, checks likewise the inclination to produce; so that, *a priori*, it cannot be said that an increase of exports should be the result. And, turning to experience, we find that as to rule the latter cause is the more powerful of the two, and that when social disturbances prevail in any country, her exports decline. In France, for example, the amount of exports was brought down by the troubles of 1847, and the Revolution of 1848, to £42,000,000 and £37,000,000, after having been so high as £47,000,000 in 1846, when every thing appeared in a settled state. Hence, the explanation of the war in China leading to an increased exportation of tea and silk must be rejected. The increase itself, such as it is, must be accounted for on other grounds, and the necessity of paying for the large supplies of silver meets the difficulty.

In fact, the flow of silver towards the East produces a twofold result. In part, the metal is sent instead of other commodities; and, so far as the transmission exceeds this amount, the result is an advance in our imports of the staple products of the East.

The necessity of obtaining money to pay the large number of workmen who are employed on the railways in India has been assigned by some as the cause of the drain of silver. But this is quite insufficient, and, besides, does not account for the export to China, where no such circumstance is in operation.

There is a mode in which some persons deceive themselves into the belief they are accounting for this phenomenon, which calls for our consideration. I have seen it put forward by persons signing themselves "China Merchants," "Eastern Merchants," and the like—names which seem to claim authority for the bearers in a question relating to a trade with which they are conversant. They state *what* is occurring, and then imagine they have told us *why*; while, in fact, all their labour ends in telling us silver is exported to the East, because silver is exported to the East. One announces (in a letter to the *Economist*, February 2, 1856) that the direct answer to the question as to the cause of the export of silver is, that the metal presents just now the most lucrative branch of commerce; and he rejects any speculations that aim at offering further explanation. The answer is quite correct, but as trifling as true. If the trade were not lucrative, no one would continue to carry it on; but the question is, what makes it unusually lucrative? and on that subject the writer does not inform us. Others wander into long descriptions of the machinery by which the transmission of silver is effected: bills drawn on this place for debts due elsewhere; and goods sent to one locality in return for what is transmitted to some other; and, finally, flatter themselves they have told us *why*, when they have merely mentioned *how*. Why is such a one crossing the ferry?—Because he is carried in the boat. But why did

he get into the boat? That is the question to be answered. And so, in like manner, it is no answer to the question why silver is exported to the East, to state the channels and appliances by which it is transmitted. What is really required to be known is not the machinery of transfer, but what set that machinery in motion. And, in my opinion, the question presents no difficulty, when two facts are noticed in juxta-position: one, the great cessation in the demand for silver in countries which employed a double standard;* the other, the circumstance that the Eastern nations habitually use silver on a large scale, especially in their currency. After this there is nothing to be said except that, when the supply of any article is unusually great compared with the number of consumers, it must find its way in quantities considerably augmented to those who still continue to make use of it—a condition which is fulfilled at present in the case of the article silver, whose principal consumers are the nations of the East.

III.—*Effects of Emigration; can it be made a means of relieving Distress?*—By Rev. Thomas Jordan.

[Read May 19th, 1856.]

To any one in the habit of visiting among the poor, emigration is a subject which must often present itself. When we are going through the crowded lane and dirty alley, broad fields and an open country suggest themselves by the mere force of contrast. The crowded room in the wretched old house, raised in other times and for a different use, call to our minds the productive farm and the neat cottage of the colonist. This being a part of my daily occupation, I was naturally led to look at the tables of emigration, and to consider at what rate that tide of living beings has been running out from our shores. The circumstances of a country sometimes render this a question of peculiar importance to it.

The labour of a country is of course paralysed without capital to employ it and to make judicious arrangements for it, and these two require a third great instrument of production, viz. land, before these advantages can be gained. If unwise legislation and the state of the country deprive labour of either or both of these, the effect is instantly felt by the labouring classes; they are reduced to a state of suffering. This state of things was seen in our own country some few years ago. The evils pressing on these classes were such as to call for an instant remedy. Time alone could remove the true causes of the misery. The change of laws and of the state of the

* A double standard had been *permitted* in India for some years, but it was prohibited by the East India Company not long since. The effect of this prohibition was only to prevent the introduction of gold, which had not previously been employed to any great extent.

country could not be the work of a day, and so emigration presented itself as the immediate remedy.

The principle of emigration may be briefly stated. An individual and his family find that a new country affords a more prosperous field for their industry than their own, and accordingly they choose to sever the ties of home and kindred, and to become exiles for the sake of bettering their condition. The attractions of home institutions and home connexions are so powerful, that a strong motive alone (either in the form of great necessity at home or great prospects abroad) can induce them to such an undertaking. Here, however, as in other parts of economic science, there is a perfect identity of individual and public interest. The emigrant and his family who improve their condition abroad confer a double advantage on the country they have left. It is obvious how great the advantage is to a commercial people like ourselves, to meet in distant parts of the world with men of our own race, of the same language, living under similar institutions, and governed by nearly the same laws. Commerce is much facilitated by being carried on with countries which differ from ours only in soil and climate. The productions of America reach us not only at a cheaper rate, but in a much more convenient manner, by their being procured from British and Irish settlers, than if they were produced and sold to us by persons of a less civilized class. Not only in this way does the emigrant profit his country; but also, by diminishing at home the existing pressure of population against food, his fellow-countrymen have fewer competitors for employment, and find the avenues to the various trades and avocations less choked up by needy applicants. When some of the trees are removed from the crowded forest, those that remain thrive better by having freer air and a more extensive soil. The voluntary exile in a similar manner profits his remaining countrymen. This removal to a more favorable field of industry resembles the abandoning of an old and decaying trade for one more prosperous and thriving. The old statutes of apprenticeship often entailed ruin on the tradesman, by preventing his entering as a competitor into a new employment when the one he had long pursued failed. Modern science has shown the evil as well as injustice of such regulations, and points out the fair as well as profitable course in such a case, viz. to leave him at liberty to seek a new employment. In like manner, when a country or a city does not afford the industrious a fit and proper field for their industry, the just as well as expedient course is, that their industry should be transferred to those lands or towns that do offer such an opening. The intending emigrant (when with determined heart he adopts this course that naturally occurs to him) is following the conclusions of science, and in time will feel his breast warm with noble and kindly feelings:—

“ The pride to rear an independent shed,
And give the lips we love unborrowed bread ;
To see a world from shadowy forests won,
In youthful beauty wedded to the sun ;
To skirt our home with harvests widely sown,
And call the blooming landscape all our own.”

Having seen that in certain circumstances emigration is a course

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pointed out no less by economic principles than by our natural views of things, we may briefly consider the state of it with regard to our own country.

The first year in which a strikingly large number of emigrants left our shores was 1847. A melancholy reason suggests itself as the explanation—the famine of the previous year. Four years after this (1851) an amazingly large number of exiles appears—no less than 254,537. This number doubles the estimated average emigration of the preceding years. If this state of things had continued for a few years, the old complaint about the excessive subdivision of land would no longer have been heard, and the small cabin and the plot of potato ground would have become an object of curiosity. It did not, however, continue, there being in the next years a gradual decrease in the numbers. In 1852 they are nearly 30,000 less, and in 1854 they are nearly one half less. This great decrease is of course partly owing to the excessive emigration of former years, partly to other causes, such as the great numbers absorbed by recruiting (that for the militia regiments having amounted last year to about 31,000 men) and I may add, it is to be hoped, as another and a great reason, the improved condition of the country at home. A large decrease in the actual emigration has at all events, taken place.

I may now lay before you a different class of statistics, which prove that the *desire* to emigrate is much less now than it was some years ago. This appears from the increasing amount of the remittances from foreign countries, either in the shape of passages prepaid or money actually transmitted by emigrants to their friends and connexions at home. The Emigration Commissioners give the following sums:

In 1851 (the year of the largest emigration) £990,000.

The warm-hearted benevolence of our countrymen on behalf of their distressed relatives at home has been increasing its exertions every year, though the emigration has been falling off in point of numbers, as appears from a comparison of both:—

		Irish Emigrants.	Remittances.
In 1852	--	224,997	£1,404,000
„ 1853	--	119,392	1,439,000

A farther comparison of both will be found to confirm this view and to show that there is a steady increase in the sums sent home, while at the same time there is a decrease in the numbers of emigrants. From this it is evident that the desire to leave home and to try fortune in distant lands, is not so strong now by any means as it was three or four years ago. Under the pressure of famine, the smaller sums took out larger cargoes of passengers, while stronger inducements are required now that such urgent necessity no longer exists.

When the rod has been bent too much in one direction, it may be bent too far in the opposite way, in the effort to make it straight. We have no doubt but that it is so in the case before us, and that emigration is now receiving less attention from the people than it deserves.

That the emigration of the past years has been of the greatest benefit to the laboring classes appears from two obvious circumstances, viz., the decrease of pauperism and the rise of wages.

As regards the first circumstance, a single instance may suffice. In October, 1852, the number of paupers in Ireland receiving relief, external and internal, was 115,810. In the two next years there is a considerable decrease, and in 1855 the country was supporting only 57,731—about half the number it had been maintaining three years before.

As to the other circumstance, the rise of wages, we may refer to the report of the Poor Law Commissioners for 1854. "There is now," say they, "observable a material increase in the money value of agricultural labour, to the extent of about one shilling a week on the average throughout Ireland. It seems, also, that agricultural employment has been more continuous than formerly. It would appear also that in most parts of the country the wages of artizan tradesmen have improved in a still higher ratio than those of the common laborer." Since this report of 1854 a very much larger rise in wages has taken place in every part of the country.* In the past year this rise on wages was so striking as to be a matter of common remark. That this increase of wages is an advantage cannot be denied by any who reflect at all with care on the subject. The miserable condition of our countrymen has arisen in great part from this very cause; for in other countries, where the wages of labour are very different, our countrymen are found a different class of men; and why should they not be the same at home, if their labour were remunerated in the same manner? Dr. Johnson defines "oats, a grain which in England is generally given to horses, but in Scotland it supports the people." The bad food of the Scotchman was the effect of his low wages. The superior food of the Englishman was the effect of his better wages. So it is not the Irishman's mud hut, his potato field, his degraded intellectual and moral condition that cause his wages to be low, but all these wretched peculiarities are evidently their effects; and therefore the returns which show an increase of wages must be regarded as an augury of better things, as the spring and the source from which various good results will spread themselves over the country. These matters clearly show the advantage to our country, under such circumstances, of emigration, and we shall now consider its applicability to our own city.

Of course any one will allow that the new countries are more immediately adapted to our country population, and that the latter are more generally suited to the foreign lands than those who live in our towns. The great business of a new country is agriculture, and therefore the agricultural population of our country must be best adapted to it. But the advantages of emigration do not appear to be confined to these; for when you go into the lanes and alleys of our city you find hundreds starving, who are the very classes described as desirable for the colonies. In a publication printed in

* For these observations on the rise of wages I am indebted to a valuable Essay on Ireland's Recovery, by Mr. Locke, Fellow of the Statistical Society of London.

1853, by order of the Governor of Van Diemen's Land, under the head of "Demand for Labour" almost all the trades are mentioned that suggest themselves to us here. There is said to be, from a combination of various causes, a most urgent necessity for working people of all kinds, both male and female. "The pressing occasion," says the writer of this publication, "for domestic servants of all kinds, both male and female, must be particularly adverted to. Large numbers of these persons would obtain immediate and very advantageous employment in every part of the colony. It is scarcely possible to express too strongly the great want which exists of servants of all kinds, both male and female."*

In the old and decayed parts of this city you will meet with numbers of tradespeople of the various kinds described in the *Colonization Circular*. It is, no doubt, true that many of what may be called the dregs of the population are to be found in such parts of our city, and of all cities; but it is as true that there are many there of a very different class, many who having struggled much to better their condition, and having failed, have sunk into a state of apathy, and have given themselves up to a silent endurance of their misery. The difficulty of such an effort in a large city has been a subject of common remark in all ages.

"Hand facile emergunt quorum virtutibus obstat
Res angusta domi; sed Romæ durior illis
Conatus."

I may take an example of this from the north side of our city. There is a street within a stone's throw of the Four Courts, where I could go to a hundred individuals such as those described in the *Circular* in an hour. In this street there are at least eight rooms in each house, and in a room there are from four to eight and often more persons living; from thirty to fifty beings in one house. There are other streets in the same neighbourhood with about the same number of inmates living in them, but with their houses in still worse repair. The very dwellings alone tend to crush energy, life and spirit. Health, vigour and cheerfulness must sooner or later be banished, and be followed by disease, listlessness and gloom. To the inhabitants of such places I at all events see the applicability of the words, "Past hope, past cure, past help." Here no class is more generally met with than the one to which the genius of the poet has called attention—the distressed needlewomen. Though benevolence has given them some help and more sympathy, yet at this moment as a class they are suffering indescribable misery. I am unable to give even a probable estimate of their number in our city,

* "The most urgent demand is for housemaids, cooks, nursery-maids, needlewomen, laundresses, and general servants. Large numbers of such women could at once find employment at high wages, and in situations at least as comfortable as those usually obtained in England."—*Colonization Circular*, 1855. To connect this state of things more immediately with the present time, it may be added that *The Daily Express* (August 15th, 1856), in the foreign intelligence mentions the following, among other classes of laborers, as commanding the annexed rates of wages:—"Thorough female servants (in great demand) £30 to £40; housemaids, £20 to £28; laundresses, £30 to £35; nursemaids, £15 to £20."

but from my own observation I can most safely say that there are twice as many at this work as can be properly maintained at it.*

To any one who considers the circumstances and condition of such persons, a variety of plans will suggest themselves. In conclusion, we mention the following as one of the many that readily occur, and I trust before we leave this place a much better may be suggested. If we consider emigration as a desirable thing for them, they are not able of themselves to accomplish it. However fair or however rich a distant land may be, they are unable to reach it without help. Like the ghosts described by the poet on the banks of the fabled stream with the plains of Elysium in view, they may stretch out their hands in entreaty, praying a passage across, but effect it themselves they cannot. Besides, a very large deportation of such people by the Government does not seem very desirable. Unless very much more were done for them than merely to convey them to another country, there would neither be an act of mercy done to the emigrants, nor of justice to the foreign country.

The Emigration Commissioners, we learn from the Colonization Circular, are enabled to grant passages for the present to New South Wales, Victoria, and South Australia, to persons strictly of the labouring class, who may be considered eligible emigrants. The sum to be paid in advance in England, if the intending emigrant be one of the most desirable class, is about £1, and in addition to this he must provide himself with an outfit of clothing. There is also aid to emigrants under the Poor Law Board in special circumstances. "It appears from the annual report of the Poor Law Commissioners (for England) for 1854, that in the previous year 327 persons received assistance out of the rates to emigrate, of whom 68 went to Canada and 259 to Australia. The Commissioners observe, however, that they have declined, for some time past, to sanction any expenditure from the poor rate in aid of emigration to the Australian colonies (except in cases presenting special circumstances), on the ground that the condition of those colonies appears to them, at present, to be such as of itself to attract largely voluntary and independent emi-

* It has been naturally objected that emigration would be rather a dangerous remedy in the case of this class, as it might expose them to worse evils than their present poverty. The following statement of the Emigration Commissioners shows that every possible precaution is taken against this danger:—"For the protection and advantageous settlement of female immigrants, not under the charge of relatives, the Colonial Government has made the most careful provision. The ship is, on its arrival, immediately visited by the immigration officer, by whom the capabilities and wishes of each woman, with regard to employment, are ascertained. The women are then landed in Government boats, and admitted to a large and commodious building, where beds, provisions, and other advantages are provided for them. Here they remain for some days to wash their clothes and make preparations for service, in the charge of an experienced matron, under the direction of the immigration officer. Persons who wish to obtain their services are requested to make written application, on which printed 'authorities' are transmitted to approved applicants, who, on presenting them at the *dépôt*, are at liberty to make arrangements with the immigrants by mutual consent, the women receiving such advice and information as they may require. No person is permitted to hire any female from the '*dépôt*' without the '*authority*' above-mentioned; and as this is only sent to those who are known to be suitable employers, no young woman can fall into improper hands on first arrival in this colony. These must be seen to be very important advantages."

gration." It may be questioned whether there is not as much aid as can safely be given from the public funds, and whether to increase it might not be doing evil. A large government emigration might, like the bleeding of the human body, produce only a temporary effect, and in doing so might induce recklessness, and destroy vigilance, activity and prudence. It is not to such aid we would look. Without increasing the amount of what is given by government or individuals, much might be done by a more judicious direction of the latter. Such a system would tend to better the condition of the labouring classes, and therefore deserves the notice of this Society.

Many, for instance, we all know, are now occasionally assisted in our towns by benevolent individuals or associations. How much more effective might not this relief be, if instead of being given in small sums, it were bestowed at once and with the special view of enabling its objects to take advantage of the offer of the Emigration Commissioners.* One case relieved in this manner would be equivalent to several on any other principle. Mendicancy would not be encouraged. The intending emigrant would be put into the way of realising the glorious privilege of being independent; and, as we showed before, his fellow-countrymen, though not relieved *directly* by the same individual or association, would be so *indirectly*. In this manner there could be a thorough investigation into the eligibility of each person—an investigation much more efficient than can possibly be made by the Emigration Commissioners, whose transactions must necessarily be on a large scale.

Another object, too, could be accomplished by this plan, which the Emigration Commissioners profess themselves unable at present to effect. Their object, they say, is not to consider how distress may be best relieved here, but how the most suitable persons for the colony may be procured. But by the system of benevolence now suggested, the other object also would be secured—a proper selection would be made for the colony, at the same time that pauperism would effectually be removed. Thus many of the charities of our city would accomplish much more of their real intention. To grant occasional relief resembles, in too many cases, the eternal revolutions of Ixion's wheel, or the operation of Sisyphus, in the poetical description of the lost. Such a mode as this might make the wheel cease to revolve, and place the stone on the top of the hill. It is not so much new laws that are required, not so much more extensive charities, as a more judicious application of the old.

* Since writing the above, I have met with a somewhat similar view by Mr. J. S. Mill. In showing the impracticability of emigration being efficiently carried out by a private company, this writer suggests the following course:—"The only other resource is the voluntary contributions of parishes or individuals, to rid themselves of surplus labourers, who are already, or who are likely to become, locally chargeable on the poor-rate. Were this speculation to become general, it might produce a sufficient amount of emigration to clear off the existing unemployed population, but not to raise the wages of the employed: and the same thing would require to be done over again in less than another generation."—*Elements of Pol. Ec.* book 5, ch. xi., s. 14. It may be remarked that, as the poor must be assisted in some way, the difficulty suggested in the conclusion of this passage offers no serious objection to the view put forward in the text.

IV.—*A Deduction from the Statistics of Crime for the last Twelve Years.*—By Richard Hussey Walsh, LL.B., late Whately Professor of Political Economy in the University of Dublin.*

BOTH in ancient and modern times it has been generally believed that want is unfavorable to virtue, and privation (*malesuada fames*) an incentive to crime. But a counter-theory is now growing up, and becoming, in fact, "rather a favourite one with chaplains, magistrates, and police officials." According to this, the belief that want is the parent of crime must be numbered among popular fallacies; and statistics are relied on to prove that prosperous years are more prolific in vice than years of distress. The Rev. Mr. John Clay, for example, chaplain of Preston gaol, countenances this view in his "Reports on Crime and its Causes;" and Mr. Waddington, Under-Secretary of State for the Home Department, cites, with apparent concurrence, an opinion to the same effect, in his evidence before last session's Parliamentary Committee on Transportation.†

The evidence upon which this doctrine is based is of a most inconclusive and unsatisfactory nature. The statistics employed relate to very limited districts, and hence it is hardly safe or fair to apply to the entire population of the country the inference they seem to lead to. Then the measure of crime adopted is essentially incorrect, since it rests rather upon the number of summary convictions before magistrates, than upon that of the graver offences sent for trial to the assizes and quarter sessions. Surely, when we wish to estimate the morals of a nation, we must draw a line of distinction between trifling misdemeanours and deadly offences; and not place in the same category with the robber and murderer the man who merely ruffles the dignity of 184 B, heedlessly drives on the wrong side of the road, or suffers his dog to wander without a log or muzzle. Besides, there is this difference between the class of offences tried at assizes and quarter sessions, and those dealt with by the magistrates. The number of persons committed for the former represents pretty accurately the number of those who have perpetrated offences of the character of which they are accused; but it is not so with the committals of the latter description. When offences of a deep and well-defined character are perpetrated, as a general rule it is attempted to bring the guilty to justice. But offences of this description constitute the great majority of those tried at quarter sessions and assizes. It is different with the petty cases which come before the magistrates. The degree of unsteadiness and loudness of talking which will induce a constable to arrest a man for being drunk and disorderly is not susceptible of very accurate measurement. Neither is the rapidity of motion which constitutes the offence of "furious driving" in certain protected localities. The disrespectfulness of the comments on the proceedings or appearance

* Read before the Statistical Section of the British Association, Cheltenham, August 11th, 1856.

† *Economist*, June 21st, 1856, p. 672.

of the police, which may be sufficient to induce a "member of the force" to take up the commentator on a charge of impeding the police in the performance of their duties, is likewise difficult of definition. And so on with most of the offences submitted to summary jurisdiction. At one time we find the public, and even the magistrates, complaining of the officious zeal of the police in bringing up no end of vexatious and trumpery cases. The magistrates themselves are often assailed for similar excess of energy. But at other times the scene changes, and the papers teem with the productions of wrathful letter-writers indignantly complaining of the remissness of the police and other officials. This, in its turn, engenders an excess of vigilance, and then the cycle of complaints and accusations begins over again. And so at one epoch a variety of acts are passed over as harmless, which at another figure in the criminal returns of summary convictions; and hence these latter afford as bad a measure of the number of the acts they profess to detail as of the guilt of the nation which commits them. But it is not so, as already explained, with the returns of offences of a more serious character; and to them we next turn for information.

The following table of the numbers tried at assizes and quarter sessions in England and Wales for the last eleven years for which returns have been published, fully bears out the conclusion that distress augments crime, and prosperity diminishes it. I take as the measure of crime the numbers committed for trial, not the convictions. A committal is usually preceded by a crime; and a failure to convict is no proof that none has been perpetrated. It may arise from want of evidence, or from the perverseness of a jury; or it may be that the criminal escapes through some legal technicality. And in cases where the party acquitted is in fact innocent, it does not follow that no offence has been committed, but only that he is not the person who is guilty of it. I now give the table:—

1844-----	26,542	1850-----	26,813
1845-----	24,003	1851-----	27,960
1846-----	25,107	1852-----	27,510
1847-----	28,833	1853-----	27,057
1848-----	30,349	1854*-----	29,359
1849-----	27,816		

The first year in which a marked increase of crime appears is 1847, and that, everybody knows, was a time of great distress. There had been a failure of the potatoe crop and a deficiency of several of the cereals the preceding harvest: and to these should be added the bursting of the railway bubble and consequent loss of employment by numbers of the labouring classes who had before supported themselves and their families as navvies, but then found themselves suddenly thrown out of work. Further details are uncalled for. It is well known that 1847 was a year of extraordinary distress. And

* The return for 1855 has not as yet been published, but M. Waddington stated before the Parliamentary Committee on transportation that the number of committals for 1855 was 26,274. The reduction, as compared with 1854 and some preceding years, arises in part from the Criminal Justice Act, which came into operation in 1855, and under which several felonies are summarily punished by sentence of the magistrates, and no longer swell the return of the committals for the assizes and quarter sessions.

we find also that it is the first year in our series which exhibits a marked increase of crime compared with the preceding, a year of comfort; the number of committals having augmented from just over 25,000 to nearly 29,000. In 1848 many of the same causes which had produced distress in 1847 were still in operation, with the additional aggravation of political insecurity. During that year of revolution the existing supply of capital was not brought forward so freely as it otherwise would have been, and the labourers suffered in consequence; so it is not surprising the increase of crime in the proceeding season was maintained. And not only was it maintained, but there was a further advance of about 1,500—a number into which, I have no doubt, Chartist rioters and other political offenders entered pretty largely. For several years after 1848, food was cheap, and security general; and the labouring classes were in the enjoyment of high wages, partly from the causes just mentioned, and partly from the effect of emigration in increasing the demand for the services of those who remained at home. And comparing these years of comfort with the previous years of distress, we find that crime in the first instance experienced a decline of 2,500; and then remained without undergoing any very marked fluctuation until 1854, when there was a sudden increase of 2,500. This may easily be accounted for, on the same principle which has guided us hitherto. 1854 was not a year of distress to the same extent as 1847 or 1848, but still the labouring classes were not nearly so well off as during the few years ending with 1853. Prices had risen considerably, the price of food in particular; and though pecuniary wages were high, and employment tolerably constant, there were not so much so as to counterbalance the dearness of food. The war with Russia was not without some effect in bringing about this unfavorable alteration, by occasioning a waste of the national capital and a partial derangement of trade. On the whole we are amply justified in concluding, so far as the criminal statistics which have just been brought forward afford us information, that want and privation lead to an increase of crime, and high wages to an opposite result. And the facts on which this conclusion is based are far better calculated to support it in all its generality, than the details of petty offences in a few particular localities, upon which some persons have ventured to found the doctrine that it is abundance and not poverty which injures the morals of the people.

Taking the extremes of the table, it is not to be inferred that because the number of committals in 1844 was 26,542; and in 1854, 29,359, the moral condition of the people had deteriorated in the interval.* It is not to be forgotten that the population had increased

* The further the extremes recede, the less likely are the criminal returns for each to afford a fair test for comparing the morality of the people at the earlier and later period. Changes in the efficiency of the police may affect the number of committals, compared with the quantum of crime, and so prevent the variations of the former from time to time from accurately representing those of the latter. And the statistics themselves will be habitually more accurately prepared when much attention is devoted to social questions, than when they are comparatively neglected by the public. And there are many other circumstances to be taken into account, in addition to those already noticed, whenever we attempt to compare by statistics the conduct of those

during the same time by about one eighth, as well as can be judged, such being the rate of increase shown by the census for the last ten years it comprises, 1841-51. Adding one-eighth to 26,542, it appears that if the people of England and Wales were just as well conducted in 1854 as in 1844, the number of criminals at the later period should be 29,839. In fact it is less than that, being but 29,359. So far the returns exhibit an improving population, and not the contrary as might at first sight carelessly be inferred from paying attention to the absolute number alone of the criminals.

There is one very deplorable feature in the returns of crime, and that is the increase exhibited in the proportion of female offenders; an increase which does not appear to be fortuitous, as with very few exceptions it runs through the entire of the following table showing the division into male and female offenders of the total number committed during the period we have been considering:—

whose lives are separated by pretty wide intervals, or who belong to different countries. As illustrative of the first, take the following case:—

ENGLAND AND WALES.

	Population.	Commitments.
1805	9,547,950	-- 4,605
1842	16,148,598	-- 31,309

These figures seem to indicate that while population has advanced not quite 70 per cent., crime has multiplied more than sixfold. But this inference cannot be admitted. When the principal towns were left in the night without artificial light, and with no other guardians of the public safety than the old race of watchmen of corrupt and inefficient memory, facilities existed for criminals to escape detection which have no parallel in these days of gas-lamps and new-police; and the proportion of offenders brought to justice to those not arrested fell far short of what it must be in our days,—as much so, perhaps, as it exceeded that of a century before, when the administration of the law was yet more wretchedly imperfect, and highwaymen plied their trade at noon through the streets of London. And there is another circumstance to be attended to. The increase in commitments since 1805, is of offences against property; those against the person have diminished. But when the law, as it did until within a comparatively recent period, assigned the punishment of death in a variety of cases (such as forgery, for example,) where the offence did not warrant so rigorous a penalty, parties often abstained from prosecuting through a natural repugnance to involving the offenders in consequences too dreadful for any one of common humanity to contemplate. And it was especially with regard to offences against property this impediment to the administration of justice operated; for not only was it in such that the excessive severity of the law was most conspicuous, but besides, it was in such also there was most chance of the injured allowing themselves to be swayed by the dictates of mercy; since the vindictive feelings which hurry on a party to prosecute when he has sustained a personal injury, are rarely brought into play to anything like the same extent in cases of trifling loss of property. Without adequate machinery to bring the guilty to justice, and often without the will to set that machinery, such as it was, in motion, we are not to be surprised that the population of 1805 furnished a relatively smaller number of persons committed for trial than their descendants in 1842, or at present. And should an efficient rural police be established generally throughout England and Wales, that fact should be taken into account by future statisticians, and they should be careful not to be too ready to infer from an increase of commitments, that crime was advancing, or from their remaining stationary that it was not receding. In several counties there has been already much improvement introduced into the police establishment of late years, and this cannot have been without some influence on the criminal returns within a corresponding period.

	Malea.	Females.	Total.
1844 -----	21,549	4,993	26,542
1845 -----	19,341	4,962	24,303
1846 -----	19,850	5,257	25,107
1847 -----	22,903	5,930	28,883
1848 -----	24,586	5,763	30,349
1849 -----	22,415	5,401	27,816
1850 -----	21,548	5,265	26,813
1851 -----	22,391	5,569	27,960
1852 -----	21,885	5,625	27,510
1853 -----	20,879	6,178	27,057
1854 -----	22,723	6,636	29,359

In the beginning of the series, the female offenders were not quite one-fifth of the male. In the end, they had risen to nearly one-third. While population advanced but $12\frac{1}{2}$ per cent., the number of female offenders rose 32 per cent., as appears by comparing the numbers for 1844 and 1854. The total number of offenders rose but 10 per cent.; and it is matter for congratulation that this increase is less than according to the rate of advance of population. The number of male offenders increased but 5 per cent., and if this fact stood by itself, we should have every reason to rejoice. To a certain extent it arises from the slower general advance of crime than population; but the principal cause, I regret to state, is not so much that as the circumstance already noticed—the increase in the number of female criminals. But returning to the immediate subject of this paper, it is worthy of notice that while in some cases the number of female offenders increases with destitution and declines with prosperity, in no case can it be said that it advances *pari passu* with the latter.

I now draw your attention to the criminal returns for Ireland, which are all the more instructive from the fact that they contain details of summary convictions as well as of committals to quarter sessions and assizes.*

	Summary Convictions before Magistrates.		Numbers tried at Assizes and Quarter Sessions.
	Petty Offences.	Drunkennes.	
1844 -----	18,887	24,362	19,448
1845 -----	17,512	22,076	16,696
1846 -----	16,695	23,282	18,492
1847 -----	25,810	15,406	31,209
1848 -----	49,717	12,302	38,522
1849 -----	63,586	11,604	41,985
1850 -----	64,802	13,938	31,326
1851 -----	72,019	12,617	24,684
1852 -----	59,215	19,504	17,678
1853 -----	48,186	12,404	15,144
1854 -----	37,958	12,215	11,788
1855 -----	29,274	9,056	9,012

* We should be careful to avoid the error of some statisticians, who confound the

Considering, in the first place, the cases tried at assizes and quarter sessions, it can readily be shown that they, like the analogous committals in England and Wales, exhibit a marked connexion between want and crime, and comparative affluence and its diminution. The table shows no increase of crime until the year of the famine, 1847; and then the advance is something extraordinary, from 18,000 to 31,000 in a single year. In fact, it is needless to specify particulars. The Irish table tells the same tale as the English, save that the character of the changes it indicates is more deeply impressed, as were the causes which produced them. In two instances only do they differ. In 1849, the criminal returns for England first showed a decline in the number of offenders, after the increase which had set in in 1847: but in Ireland, the tide of improvement of a similar character did not commence until one year later—1850, the number of committals having then subsided to 31,000, after having risen successively from a similar number in 1847, to 38,000 in 1848, and 41,000 in 1849. But this is what might have been expected. As the calamity suffered was much greater in Ireland, so also was the time of recovery longer. What rather calls for explanation is why, according to the theory of want being the parent of crime, was there not much more crime in Ireland in 1847 than 1849. But this admits of an explanation. In many portions of the country in 1847, the destitution of the people was so appalling as actually to disarm the law. It was felt that it could scarcely be looked upon as a crime in people so circumstanced to cease to respect the rights of property; and justice was lenient accordingly. Perhaps, too, the knowledge that the people were in some instances incited to perpetrate offences in the hope of being admitted to receive support in the gaols, might have strengthened the disinclination of the authorities to put the law in motion. And, again, the misery was often so great as to overpower the sufferers, and deprive them even of the little energy which is implied in the determination to break the law. Besides, it is not to be forgotten that if the resources of the country were greater in 1849 than in 1847, yet in 1847 the people were largely assisted by the bounty of government, while in 1848 and 1849 they were left to provide for themselves without any such aid.

After the famine and its consequences had passed over, it is a matter of fact, notorious and indisputable, that the condition of Ireland rapidly improved; and we find at the same time that the number of committals underwent a diminution steady and uninterrupted, until last year they reached the very low figure of 9,010, after having been so high as 41,000 in 1849. In 1854, the number of committals was upwards of 11,000—a number considerably less than that of the preceding year, and of every year since the famine.

number of committals and summary convictions with the number of offenders. So often as a party is convicted or committed within the year, so often he is counted in the return for the corresponding period. This consideration is not of much importance as regards the numbers committed for trial at assizes or quarter sessions, as it seldom happens the same party is committed more than once in the year. But it is otherwise with the summary convictions, which often fall to the lot of the same individual many times in a year, or even in a much shorter period.

This brings me to the second point in which the English and Irish returns present a different aspect, the number of criminals in England in 1854 having increased, and not diminished, compared with that for the preceding year and several before it. But the reason of this is, that the same cause which depressed the condition of so large a proportion of the people of England in 1854, acted on a far smaller share of the inhabitants of Ireland. The cause was the dearness of provisions, and this in a country where most of the people are not employed in agriculture injures the majority without giving them an opportunity of obtaining compensation elsewhere. But where most of the people are employed in agriculture, what they lose as consumers when food is dear, is often made up to them in what they gain from the same circumstances as producers. Ireland being chiefly an agricultural, and England a manufacturing country, it is natural that the high prices in question should have acted differently in each; and we are not to be surprised if the amount of crime diminished, and the condition of the majority of the people improved in the former, while in the latter an opposite result took place.

Now turning our attention to the table of summary convictions, the first thing that strikes us is the impossibility of accounting for the fluctuations which appear by reference to any changes that have occurred in the condition of the people. They do not proceed uniformly either in the same or an opposite direction. Take the year 1852, for example. Then the cases of drunkenness were over 19,000; while the year before and the year after they were only something above 12,000. There certainly was no alteration in the wealth of the people to explain this phenomenon. No doubt there are instances in which drunkenness is found to decline as the people grow poorer; indeed, it is a necessary consequence when poverty reaches that limit where numbers are unable, or scarcely able, to purchase food enough to support life. In that case, many must abandon drink from sheer necessity; and the decline of cases of drunkenness, from 23,000 in 1846 to 15,000 in 1847, the year of the famine, is to be explained on this principle. But although thus much may be conceded, it must be also borne in mind that the cases of drunkenness which occur among a suffering population, though less numerous than they might be were the people better off, are far more likely to lead to crime. The man who drinks in despair becomes a desperate and a dangerous character, quite different from him who carouses in a jovial spirit, and whose excesses, however objectionable they may be, and however deeply to be regretted, are more likely to produce folly than crime as their immediate result. But of all this, the summary convictions for drunkenness tell us nothing. And it is always to be remembered, that if increasing affluence gives people the means of drinking more if they wish, it does not follow they will select such a mode of expenditure. The people of Ireland, no doubt, were richer in 1855 than in 1850, yet in the earlier year there were nearly 14,000 convictions for drunkenness, and but 9,000 in the other.

Turning next to the column of summary convictions for petty offences, we encounter a similar impossibility if we attempt to account for the fluctuations it contains, as the result alone either of an im-

proving or retrograding condition of the people. The numbers increase from 1846 to 1851, and after that they decrease up to the present time. They certainly exhibit a far greater tendency to follow the same course as the criminal returns for the assizes and quarter sessions, than do the cases of drunkenness. The large increase exhibited some years back is attributable to the Summary Jurisdiction Act, and some other processes of legislation which came into operation about the same time; creating, it may be said, a variety of new offences, facilitating the punishment of others, and extending generally the jurisdiction of the magistrates.* There is, indeed, a large class of the petty offences with which these magistrates deal, which might be expected to fall off as the people grow more comfortable; and the great falling off which is in fact to be seen of late, is partly to be attributed to an improvement in their physical condition. But a great deal is to be accounted for otherwise. When first their powers were extended, magistrates and police seem to have been uncommonly zealous in the exercise of their new attributes, just as a school-boy is perpetually trying his first knife on everything capable of being cut which comes in his way. And the public, delighted at having a cheap tribunal to obtain satisfaction for a variety of wrongs, which before could not have been remedied but at a formidable cost, were quite as ready to invoke the aid of the new laws as the officials were to put them in motion. After some time, a change gradually came on. The new-born excessive zeal of officials and prosecutors soon died away, and confined itself within more just and rational bounds. And the knowledge that what before might have been committed with impunity, owing to the difficulty of obtaining legal redress, would no longer be suffered to remain unpunished when the law held out a cheap and summary remedy to the injured party, was not without its effect in checking a class of offences which had been persevered in until the efficacy of extended summary jurisdiction had been practically experienced.

As before stated, it was on evidence of the statistics of summary convictions in a few small districts, that the conclusion I have been contending against was deduced. The statistics of summary convictions for an entire country do not bear out such a result; and if they do not invariably exhibit an increase of offences with an advance of destitution, and *vice versa*, yet they show a movement of this character more frequently than one of an opposite nature,—that which had been announced as the rule by the Rev. Mr. Clay and others. Thus their test of criminality, when tried by a wider range of facts than their observations embraced, is found no longer to warrant their unwelcome inference. As to the test itself, which places in the same category offences of which the majority are very trifling, and those which really amount to crime in the true sense of the word—offences the number of which brought into court varies so much with the caprice of officials and complainants, and those which from their more

* This last circumstance must partially be the cause of the falling off in late years of the number of committals to assizes and quarter sessions, which is greater than can be satisfactorily accounted for by any improvement in the physical condition of the people, and consequent diminution of the chief source of crime—privation.

formidable and definite character are rarely committed without being made the subject of legal investigation, I have before dwelt upon my objections to it. But, bad and unsatisfactory as the test is, and weak as must be any inference founded on it, it does not afford even the feeble support which was claimed. So much for the results of the statistics of summary convictions,—the class of offences from which it has been inferred that poverty and privation are conducive to the morality of the people. But, looking to the statistics of real and formidable offences,—statistics, moreover, which truly represent the *quantum* of the transactions they profess to deal with, which transactions, in their turn, afford an accurate measure of the crime of the country,—we arrive at the pleasing conclusion that, according as the majority of the people are affluent, so also are they well conducted, and that it is only when they suffer privation a general increase of crime takes place.

V.—*Free-Trade Resolutions of the Council-General of the Hérault.*

LAST session the French government presented to the Legislative Body a bill for abolishing the prohibitions against importation which abound in the tariff, and replacing them by duties which, though high, are not absolutely prohibitory. This bill was so unfavourably received, that it was deemed advisable to let it stand over for the next session; and, in the mean time, it has been brought under the notice of the Councils-General of the eighty-six departments of France, to give them an opportunity of pronouncing for or against it. As the protectionist interest is strong in France, especially among the classes who usually compose the majority of the Councils-General, it is not to be expected that many of them will come forward in favour of free trade. So far but four have transmitted to Paris the results of their deliberations; and of these, two are against the bill, and two in its favour. The *Nord* objects to any change in the existing customs' arrangements, until all duties on the importation of raw materials into France have been abolished—a resolution which the Prefect endeavoured to his utmost to induce them to modify somewhat in favour of the bill. This proceeding on the part of an official is worthy of notice, as refuting the report so industriously spread by the protectionists, that the government was not in earnest in its support of the measure, and had instructed the prefects of the departments to encourage the Councils-General to oppose it. The Council-General of the Aisne, likewise one of the northern manufacturing departments, expressed fears lest any disturbance of the existing tariff should reduce the wages of labour—imitating, in the grounds thus taken, the conduct so often adopted by protectionists in England, who defended their monopoly of the home market, as a burden which consumers should bear for the sake of poor workmen; but kept in the background the interested

motives which really led them to favour a system which allowed rents and profits to increase from the dearthness occasioned by artificial scarcity, instead of being the producer's legitimate reward for raising, by the exercise of skill and industry, a greater quantity of goods at a diminished cost of production.

The Councils-General which condemn the existing prohibitory system are those of two southern departments—the Basses Pyrénées, and the Hérault. The former advocates the substitution of moderate protective for prohibitory duties, but these only to be temporarily maintained. But the resolutions of the Hérault do not simply express support of a sound, and condemnation of a vicious, system; but they constitute an instructive essay in favour of commercial freedom, which, doubtless, hereafter will be looked back upon as one of the most interesting productions the struggle gave rise to, like the Petition of the Merchants of the city of London in favour of Free Trade, presented to the House of Commons in 1820, and which drew from the late Lord Liverpool, to whom it had been submitted by a deputation previous to being presented, a declaration—"That with every sentiment and every principle contained in the petition he fully and unreservedly agreed; and that if he were then to form a commercial code, those were the principles on which he would establish it." The resolutions of the Council-General of the Hérault are as follows:—

"That the existing customs' tariff, by the numerous restrictions it imposes, and the impediments it throws in the way of foreign trade, is unsuited to the requirements of the agriculturists and manufacturers of the country, demanding, as they do, an expansion of international dealings."

"That the tariff discourages industry in various ways, by impeding the acquisition of raw materials on reasonable terms; withholding the stimulus of competition, which, when permitted to act within legitimate bounds, invariably produces the most salutary effects; and depriving the country of the advantages to be derived from the inspection of models of foreign workmanship, and the possession of improved machinery invented abroad."

"That restrictions and impediments are at present carried to an extent such as they have never been before by any civilized nation, since, of all kinds of manufactured goods, no less than nine-tenths are absolutely prohibited, and the remainder, in most instances, subjected to duties so heavy as virtually to amount to a prohibition."

"That the system of commercial isolation is an anomaly in an epoch of peace, when civilized nations endeavour to promote mutual intercourse, and labour to attain this end by the construction of costly railways for facilitating communication between different portions of Europe, and by the ratification of solemn treaties of peace, of which that of Paris, of May 30, 1856, furnishes a most glorious example, embodying as it does the principle of fraternity among enlightened nations."

"That prohibitions have been introduced into the commercial legislation of France expressly as measures of hostility against other

nations, as appears from the official title in the Statute Book (*Bulletin des Lois*), of the enactments establishing them."

"That an alleged inferiority of French manufactures cannot be brought forward in support of the commercial system of isolation, expressed by its consequence—prohibition; for the extent of our exports of every kind, amounting in all to over £40,000,000, demonstrates our general ability to appear with advantage in the market of the world; and the heads of our protected manufactures, by competing for the highest prizes at the Universal Exhibition at Paris, have acknowledged, both implicitly and explicitly, that they were prepared to encounter foreign competition, the cheapness of the articles exhibited being one of the requisite conditions for obtaining prizes of the first order."

"That if in any departments of industry the nation has not followed the general march of improvement, protectionist legislation is to be blamed; for it is that which has made the heads of industry believe the home market to be theirs absolutely, whether they worked well or ill, sold cheap or dear; or whether they fixed themselves in unsuitable localities and employed inferior implements, or chose their sites judiciously and availed themselves of the best machinery."

"That the excessive restrictions which have been imposed universally on the admission of foreign goods, have led to retaliation, especially as regards the wines of France—one of her staple products—whose annual value amounts to £24,000,000, and which, for the department of the Hérault in particular, is the main source of wealth."

"That in consequence of the reductions which the Emperor's government, with universal satisfaction, has effected in the principal articles of food, such as corn and cattle, and liquors generally, as well as upon several raw materials, such as wool, for example—agriculture, the most important department of industry in France, both on account of the numbers engaged in it and the magnitude of the interests it involves, has ceased to enjoy what are called the advantages of protection, whilst it still must endure the resulting burthens whenever it has occasion to obtain implements and machinery, and various other articles of general utility," [whose prices are enhanced by an artificial scarcity].

"That the system of protection has ceased to exist in favour of the 20,000,000 Frenchmen employed in agriculture, but continues to subsist against them, to their serious loss."

"That in certain departments of industry confined to a very small number of great establishments, the effect of protection is to encourage the producers to combination, the result of which is a very oppressive monopoly against the consumers, such as notoriously exists in several important branches of trade."

"That the effect of the commercial system embodied in the present tariff, which some from peculiar interests would desire to render perpetual, is to charge the consumers for ever, to the profit of those who are protected, with a tax often considerable in amount, yet which, on principles of public policy, should not be allowed to

exist, unless provisionally; for a French citizen, since 1789, is only to be taxed for the State, for his department, for his *commune*, but not for any private individual."

"That in a financial point of view, prohibitions, or duties so high as to be virtually prohibitory, are injurious to the State; whilst moderate duties would yield an increase to the public revenue, which might be of considerable amount, and, at all events, would consist of a sum that now goes to the support of smugglers, a dangerous class, accustomed to live in defiance of the law, and ever ready to furnish recruits to the cause of anarchy."

"That the principle of commercial freedom, supposing it brought into operation gradually and judiciously, would economise the production of various articles, and by this diminution of cost, and, consequently, of price, facilitate saving, and thus promote the accumulation of capital, an indispensable element of national progress."

"That the interests of the working classes, for which the Emperor's government is filled with a solicitude at once humane, enlightened, and politic, could not but be advanced by free-trade legislation, which by rendering products cheaper, because produced more economically, would furnish the means for extending industrial operations, and secure greater constancy of employment without a reduction of wages."

"That the strictness of the regulations of the tariff with respect to goods has induced corresponding severity towards individuals, such as domiciliary visits and searching the person—offensive practices, carried out for the benefit of a few, and which every one must regret to see permitted by the code of a nation which occupies so high a position as France in the esteem of the world."

"That under the reign of Napoleon I., the raw materials of our manufactures and articles of subsistence were not subjected to import duties."

"That though at that epoch there were taxes on the importation of iron and steel, yet they were moderate, being fixed at 44 francs for the one, on every thousand kilogrammes [about a ton], and 99 francs for the other; whilst before the time of the generous decree of 1853, they were at 206f. and 1,320f., for the most common descriptions of each article."

"That cheap iron and steel are of the greatest benefit to agriculture and manufactures, enabling those engaged in these pursuits to improve and multiply their implements."

"That the bill for the abolition of prohibitions has been framed in a spirit of the greatest moderation, which ought to have disarmed the hostility of any opponent who took the trouble of examining it, since even on cotton fabrics, about which there has been most remonstrance, the proposed duties vary from 1f. 50c. to 7f. 50c. the kilogramme [a little over 2lbs.], while the fabrics of Germany, notoriously inferior to those of France, flourish under a general protective duty of but 15c., which demonstrates that the bill, in order to obviate any feelings of alarm, has allowed a superabundance of protection."

"That, therefore, the opposition which the bill has encountered

is devoid of any rational foundation, and seems to be derived from the same arrogant pretensions which once prevailed with the State at a former epoch, under a different government, and defeated the plan of a Customs' Union between France and Belgium."

"That, finally, it is an object worthy of a government renowned for its lofty aspirations, to consolidate its noble work—the peace of Europe—by the aid of a safe and liberal commercial policy, gradually introduced; and that for this purpose there is nothing more urgently called for than the abolition of those prohibitions which other nations have already cast aside."

"Upon these grounds the Council-General testify their gratitude to the Emperor's government for the numerous alleviations of the rigours of a customs tariff handed down from preceding governments, and the introduction of the bill for abolishing prohibitions."

"And also express the following wishes:—

"That all reductions of duties which have been provisionally decreed be promptly placed on a permanent footing, and that this be preceded by a revision of the entire tariff."

"That all export duties on home productions be abolished, and that the forms to be gone through when exporting be simplified."

"That all commercial prohibitions on importation be abolished, and replaced by suitable duties."

"That the duties, for the most part excessive, which are now inscribed on our tariff, be reduced to such a rate as may permit foreign competition to stimulate native industry, which is at present sufficiently advanced to profit by such a system, instead of being injuriously affected by it."

"That the duties imposed on raw materials of every kind be gradually reduced so as to disappear altogether in the course of a few years."

"That the same may be done at a still earlier period with respect to implements and machinery employed in agriculture, manufactures, commerce, and navigation."

"That, above all, the duties on iron, cast-iron, and steel in bars, be restored as soon as possible to the rate they were at under the reign of Napoleon I."

"And that in the negotiations now pending to secure to French industry a just reciprocity, special efforts be made to remove the interdict under which the wines of France have been placed not only in Europe but also in realms more remote."

Notwithstanding the great merits of the Hérault resolutions, they appear sometimes to stop short of an unqualified adhesion to free-trade, and are a little disfigured by the undue prominence assigned in the discussion of a national question to the special industrial pursuit of the neighbourhood,—the wine trade. In this respect they contrast unfavourably with the petition of the London merchants, which is perfectly general in its terms, and affords no indication of peculiar favour for any particular place or person. But those who prepared the resolutions in France may have thought their countrymen not

yet sufficiently advanced for the reception of a broad and general expression of adhesion to the principles of commercial freedom, and that some appeal to local interests and class prejudices was necessary in order to render the doctrines sought to be propagated to any extent acceptable. Placed under peculiar circumstances, they may have acted in the same spirit as that which guided the Athenian lawgiver when he declared he would not give his fellow citizens the best possible laws, but only the best they were capable of receiving.

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